Greystanes Disability Services

supporting people's abilities

Financial Report
For the Year Ended 30 June 2014

Greystanes Disability Services
ABN 48 002 905 802
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For the Year Ended 30 June 2014

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Greystanes Disability Services
ABN 48 002 905 802
Directors' Report
30 June 2014

The directors present their report on Greystanes Disability Services for the financial year ended 30 June 2014.

1. General information

(a) Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Mr P Poulos	President	
Ms P Neall	Vice President	
Mr R Jones	Treasurer	
Ms A Viles	Director	
Ms M Kerrison	Director	
Mr R Tinsey	Director	
Mr F Norman	Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

(b) Company secretary

The following person held the position of Company secretary at the end of the financial year:

Mr John Le Breton has been the company secretary since 28 May 2008.

(c) Principal activities

The principal activity of Greystanes Disability Services during the financial year were providing accommodation and support to people with intellectual and/or physical disabilities.

No significant changes in the nature of the Company's activity occurred during the financial year.

(d) Short term objectives and long term objectives

The Company's short and long term objectives are to:

- Provide quality services to the people it supports and their families;
- Value and support its' staff;
- Ensure financial viability and sound business systems;
- Maintain and expand strategic partnerships;
- Increase its' public profile and expand its' fundraising efforts; and
- Actively seek future development opportunities.

(e) Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Identifying, implementing and refining programs and services it offers the people it supports;
- Increase the public profile;
- Developing a business plan to help guide the company; and
- Maintaining the Greystanes Foundation.

(f) How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Enabling it to provide effective and valued services to its members and the people it supports;
- Enabling it to expand its fundraising efforts to encompass a broader cross section of the public;
- Expanding the Megalong Positioning Services segment of the business;
- Improving the level of service offered by more qualified and knowledgeable staff; and
- Maintaining a sound financial position.

(g) Performance measures

The following measures are used within the Company to monitor performance:

- Collated questionnaires filled out by the families of the people it supports;
- Assessment of the progress made by the people it supports against their personalised plans; and
- Assessment of key financial indicators.

2. Operating results and review of operations for the year

(a) Operating results

The operating deficit of the Company amounted to $96,505, after providing for income tax. This represented a 40% decrease on the results reported for the year ended 30 June 2013. The operating deficit for the year is not unexpected as the MPS segment of the business is still in its infancy.

The company is exempt from income tax

The company continued to provide services under its funding agreements with the Ageing, Disability and Home Care Department of Human Services New South Wales.

2. Operating results and review of operations for the year continued

(b) Dividends paid or recommended

No dividends were paid or declared since the start of the financial year as the company's constitution prohibits the payment of any dividend.

3. Other items

(a) Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

(b) Events after the reporting date

A review of how the company manages it community living program and how it provides healthcare to the people it supports was undertaken during the year with the aim of developing more flexible services and improve it's management of the process.

Implementation of the changes arising as a result of the review are due to be implemented within the first quarter of the year ending 30 June 2015. The changes will result in the creation of and the abolition of a number of employment opportunities. This will result in a number of redundancies being offered to existing employees. The financial impact of the above procedures will be minimal as it is expected that the new positions will incur a similar wage expense to those that are being abolished.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

(c) Future developments

Likely developments, future prospects and business strategies of the operations of the company and the expect results of those operations have not been disclosed in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

(d) Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Greystanes Disability Services
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Directors' Report
30 June 2014

4. Meetings of directors

During the financial year, 17 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance Committee Meetings		MPS Committee Meetings		Events & Fundraising Committee Meetings		Total Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr P Poulos	5	5	5	4	4	4	-	-	14	13
Ms P Neall	5	4	-	-	-	-	3	3	8	7
Mr R Jones	5	5	5	5	4	4	-	-	14	14
Ms A Viles	5	4	-	-	-	-	3	1	8	5
Ms M Kerrison	5	4	-	-	4	3	3	3	12	10
Mr R Tinsey	5	4	-	-	-	-	-	-	5	4
Mr F Norman	5	3	5	4	4	3	-	-	14	10

5. Indemnification and insurance of officers and auditors

No indemnities have been given for any person who is or has been an officer or auditor of Greystanes Disability Services. The company has paid premiums to insure all directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was $4,114. The company has not provided any insurance for an auditor of the company.

6. Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .... Mr P Poulos

Director: .... Mr F Norman

Dated 24 September 2014

Greystanes Disability Services
ABN 48 002 905 802
Auditors Independence Declaration under Section 307C of the Corporations Act 2001
To the Directors of Greystanes Disability Services

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Trumans

Trumans
Chartered Accountants

Peter Bray

Peter Bray
Partner

23 September 2014

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Greystanes Disability Services
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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
Sales revenue	2	**1,266,167**	1,045,121
Other revenue	2	**7,854,229**	7,460,264
Administrative expenses		**(1,909,499)**	(1,367,784)
Leura day options		**(1,058,376)**	(967,979)
Accommodation services		**(5,470,531)**	(5,384,965)
Mandatory insurances	18	**(192,059)**	(188,653)
MPS		**(587,784)**	(665,112)
Operating surplus/(deficit) before income tax		**(97,853)**	(69,108)
Income tax expense		**-**	-
Total surplus/(deficit) for the year		**(97,853)**	(69,108)
Other comprehensive surplus/(loss)			
Net gain on revaluation of land buildings and investment properties		**39,947**	-
Net fair value movements for available-for-sale financial assets		**146**	713
Other comprehensive surplus/(loss) for the year, net of tax		**40,093**	713
Total comprehensive surplus/(loss) for the year		**(57,760)**	(68,395)

The accompanying notes form part of these financial statements.

Greystanes Disability Services
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Statement of Financial Position
30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**2,388,607**	2,449,561
Trade and other receivables	5	**166,931**	253,323
Inventories	6	**137,902**	176,867
Other assets	10	**5,656**	16,701
TOTAL CURRENT ASSETS		**2,699,096**	2,896,452
NON-CURRENT ASSETS			
Financial assets	7	**2,126**	1,980
Property, plant and equipment	8	**2,685,557**	2,455,583
Investment property	9	**950,001**	910,723
TOTAL NON-CURRENT ASSETS		**3,637,684**	3,368,286
TOTAL ASSETS		**6,336,780**	6,264,738
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**2,070,233**	1,962,185
Borrowings	12	**19,043**	3,468
TOTAL CURRENT LIABILITIES		**2,089,276**	1,965,653
NON-CURRENT LIABILITIES			
Borrowings	12	**53,757**	13,781
Long-term provisions	13	**125,724**	159,521
TOTAL NON-CURRENT LIABILITIES		**179,481**	173,302
TOTAL LIABILITIES		**2,268,757**	2,138,955
NET ASSETS		**4,068,023**	4,125,783
EQUITY			
Reserves		**1,679,031**	1,638,938
Accumulated surplus		**2,388,992**	2,486,845
		4,068,023	4,125,783
TOTAL EQUITY		**4,068,023**	4,125,783

The accompanying notes form part of these financial statements.

Greystanes Disability Services
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Statement of Changes in Equity
For the Year Ended 30 June 2014

2014

	Note	Accumulated Surplus	Capital Profits Reserve	Asset Revaluation Surplus	Financial Assets Reserve	Total
		$	$	$	$	$
Balance at 1 July 2013		**2,486,845**	**1,447,018**	**191,178**	**742**	**4,125,783**
"Surplus/(deficit) attributable to members of the entity"		**(97,853)**	**-**	**-**	**-**	**(97,853)**
Total other comprehensive surplus/(deficit) for the year		**-**	**-**	**39,947**	**146**	**40,093**
Balance at 30 June 2014		**2,388,992**	**1,447,018**	**231,125**	**888**	**4,068,023**

2013

	Note	Accumulated Surplus	Capital Profits Reserve	Asset Revaluation Surplus	Financial Assets Reserve	Total
		$	$	$	$	$
Balance at 1 July 2012		2,661,385	1,447,018	191,178	29	4,299,610
Surplus/(deficit) attributable to members of the entity		(69,108)	-	-	-	(69,108)
Contribution to Greystanes Foundation		(105,432)	-	-	-	(105,432)
Total other comprehensive surplus/(deficit) for the year		-	-	-	713	713
Balance at 30 June 2013		2,486,845	1,447,018	191,178	742	4,125,783

The accompanying notes form part of these financial statements.

Greystanes Disability Services
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Statement of Cash Flows
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**9,283,772**	8,567,568
Payments to suppliers and employees		**(9,112,406)**	(8,466,166)
Dividends received		**138**	84
Interest received		**101,118**	109,854
Net cash provided by/(used in) operating activities	17	**272,622**	211,340
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(387,201)**	(105,946)
Net cash provided by/(used in) investing activities		**(387,201)**	(105,946)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**63,982**	19,275
Repayment of borrowings		**(8,431)**	(2,026)
Payment of transaction costs		**(1,926)**	(683)
Contribution to Greystanes Foundation		**-**	(105,432)
Net cash provided by/(used in) financing activities		**53,625**	(88,866)
Net increase (decrease) in cash and cash equivalents held		**(60,954)**	16,528
Cash and cash equivalents at beginning of year		**2,449,561**	2,433,033
Cash and cash equivalents at end of financial year	4	**2,388,607**	2,449,561

The accompanying notes form part of these financial statements.

The financial report is for Greystanes Disability Services as a not-for-profit individual entity incorporated and domiciled in Australia.

Greystanes Disability Services is a company limited by guarantee.

The functional and presentation currency of Greystanes Disability Services is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from the sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

1 Summary of Significant Accounting Policies continued

Greystanes Disability Services receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividends are recognised when the entity's right to receive payment is established.

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Donations and bequests are recognised as revenue when received.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of standard costs. Costs of purchased inventory are determined after deducting rebates and discounts.

1 Summary of Significant Accounting Policies continued

(f) Inventories continued

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Work in progress is valued at cost, plus profit recognised to date less any provision for estimated losses. Cost includes both fixed and variable costs relating to specific jobs, and those costs that are attributable to the manufacturing process in general that can be allocated on a reasonable basis.

(g) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model at least triennially by an independent valuer.

Increases in the carrying amount arising as a result of revaluation are credited to an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are are charged against the reserve directly in equity; all other decreases are charged to the Statement of Profit and Loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carry amount of the asset and the net amount is restated to the revalued amount of the asset.

Land and buildings

Land and buildings are measured using the revaluation model.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

1 Summary of Significant Accounting Policies continued

(g) Property, Plant and Equipment continued

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	0.00% - 2.50%
Plant and Equipment	5.00% - 25.00%
Plant and Equipment in Group Homes	2.50% - 25.00%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit and Loss. When revalued assets are sold amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Investment property

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value, determined annually by directors valuation based upon a real estate agents appraisal. Changes to fair value are recorded in the asset realisation reserve.

(i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

1 Summary of Significant Accounting Policies continued

(j) Investments and other financial assets

Recognition

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless their fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflow's are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

1 Summary of Significant Accounting Policies continued

(m) Leases continued

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

1 Summary of Significant Accounting Policies continued

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1 Summary of Significant Accounting Policies continued

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(o) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investment in Associates and Joint Ventures*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

1 Summary of Significant Accounting Policies continued

(o) Adoption of new and revised accounting standards continued

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

(p) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(q) Economic dependence

Greystanes Disability Services is dependent on the NSW Government for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the NSW Government will not continue to support Greystanes Disability Services.

2 Revenue and Other Income

Revenue from continuing operations

	Note	2014 $	2013 $
Sales revenue			
- MPS sales		**482,733**	484,227
- Charges and fees		**778,640**	557,334
- Training packages and DVD sales		**4,794**	3,560
Total sales revenue		**1,266,167**	1,045,121
Other revenue			
- Interest revenue		**101,118**	109,854
- Dividend revenue		**138**	84
- Gross proceeds from fundraising	19	**10,200**	22,127
- Government grants		**7,666,496**	7,247,264
- Memberships		**200**	180
- Rental revenue		**57,075**	51,884
- Misc. revenue		**19,756**	30,789
- Gain/(loss) on disposal of assets		**(754)**	(1,918)
Total other revenue		**7,854,229**	7,460,264
Total revenue		**9,120,396**	8,505,385

3 Result for the Year

(a) Expenses

	2014 $	2013 $
Depreciation and Amortisation		
Depreciation - buildings	**57,236**	57,719
Depreciation - plant and equipment	**112,770**	101,197
Depreciation - plant and equipment in group homes	**4,060**	4,640
Depreciation - Investment Property	**669**	687
Total Depreciation and Amortisation	**174,735**	164,243
Auditors remuneration - auditing the financial report	**36,400**	34,650
Direct property expenditure from investment property generating rental income	**17,147**	18,874
Employee benefits expense	**7,653,790**	7,112,200

4 Cash and cash equivalents

	Note	2014 $	2013 $
Cash on hand		**10,750**	11,200
Cash at bank		**598,427**	2,392,228
Short-term bank deposits		**1,779,430**	46,133
	17(a)	**2,388,607**	2,449,561

5 Trade and other receivables

	2014	2013
CURRENT		
Trade receivables	**153,093**	246,745
Other receivables	**13,838**	6,578
Total current trade and other receivables	**166,931**	253,323

Current trade receivables are classified as non-interest loans and are generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. The impairment expense would be recognised under the administrative expense item on the statement of comprehensive income. For the current and prior financial year the entity has chosen not to recognise any impairment on trade receivables.

6 Inventories

	2014	2013
CURRENT		
At cost:		
Work in progress	**48,309**	108,206
Stock on hand	**89,593**	68,661
Total inventories	**137,902**	176,867

7 Other financial assets

	2014	2013
NON-CURRENT		
Available for sale financial assets	**2,126**	1,980
Total non-current financial assets	**2,126**	1,980

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

8 Property, plant and equipment

	2014 $	2013 $
LAND AND BUILDINGS		
Freehold land		
Independent valuation	**1,320,000**	1,320,000
Total Land	**1,320,000**	1,320,000
Buildings		
At independent valuation	**506,000**	506,000
At cost	**61,147**	(6,148)
Accumulated depreciation	**(114,954)**	(57,719)
Total buildings	**452,193**	442,133
Total land and buildings	**1,772,193**	1,762,133
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**2,181,146**	1,906,592
Accumulated depreciation	**(1,375,938)**	(1,324,639)
Total plant and equipment	**805,208**	581,953
Plant and equipment in group homes		
At cost	**159,877**	159,158
Accumulated depreciation	**(51,721)**	(47,661)
Total plant and equipment in group homes	**108,156**	111,497
Total plant and equipment	**913,364**	693,450
Total property, plant and equipment	**2,685,557**	2,455,583

The Company's land and buildings were revalued at 30 June 2012 by independent valuers. Valuations were made on the basis of open market value in an arms length transaction based on similar properties. The revaluation decrement was credited to an asset revaluation reserve in shareholders' equity.

Buildings at independent valuation represents 20% of the total independent valuation of $880,000 for the building located at 2 Grose Street, Leura, including kitchens, bathroom and items of plant and equipment. The building was built with the assistance of a capital grant. As a condition of the Grant the NSW government retains an interest in the building.

Also included in buildings at independent valuation is the building located at Unit 1/14-16 Livingston Street, Lawson with a valuation of $330,000.

Buildings at Cost represents asset additions since the last independent valuation. These items are carried at cost less accumulated depreciation.

8 Property, plant and equipment continued

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Plant and equipment in group homes	Total
	$	$	$	$	$
Year ended 30 June 2014					
Balance at the beginning of year	1,320,000	442,133	581,953	111,497	2,455,583
Additions	-	67,296	335,887	719	403,902
Disposals - written down value	-	-	138	-	138
Depreciation expense	-	(57,236)	(112,770)	(4,060)	(174,066)
Balance at the end of the year	1,320,000	452,193	805,208	108,156	2,685,557

9 Investment Property

	2014	2013
	$	$
Balance at beginning of the year	**910,723**	905,000
Transfers (to) from property, plant and equipment	**-**	6,410
Depreciation - Investment Property	**(669)**	(687)
Fair value adjustments	**39,947**	-
Balance at end of year	**950,001**	910,723

10 Other non-financial assets

	2014	2013
CURRENT		
Prepayments	**-**	16,701
Accrued income	**5,656**	-
Total other non-financial assets	**5,656**	16,701

11 Trade and other payables

	2014	2013
CURRENT		
Trade payables	**186,198**	191,506
GST liability	**158,029**	153,243
Employee benefits	**1,093,241**	968,177
Income received in advance	**201,956**	220,571
Other payables	**430,809**	428,688
	2,070,233	1,962,185

12 Borrowings

	2014	2013
CURRENT		
Secured liabilities:		
Finance lease obligation - secured	**19,043**	3,468
	19,043	3,468
Total current borrowings	**19,043**	3,468
NON-CURRENT		
Secured liabilities:		
Finance lease obligation - secured	**53,757**	13,781
	53,757	13,781
Total non-current borrowings	**53,757**	13,781

13 Provisions

	2014	2013
	$	$
NON-CURRENT		
Employee entitlements	**125,724**	159,521
Total provisions	**125,724**	159,521

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 100 each towards meeting any outstandings and obligations of the Company. At 30 June 2014 the number of members was 20 (2013: 18).

15 Key Management Personnel Disclosures

The names and positions of those having authority for planning, directing and controlling the company's activities, directly or indirectly (other than directors) during the year are as follows:

John Le Breton	Chief Executive Officer
Mark Heinz	Corporate Services Manager
Vicki Godkin	Greystanes Community Living Manager
Susan Hatswell	Leura Day Options Manager
Wim Hartog	MPS Manager
Marilyn Peters	WHS Manager
Leila Wright	Communications and Service Development Manager

16 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transaction with related parties:

(a) Key Management Personnel

	2014 $	2013 $
Property management fees paid to Theo Poulos Real Estate Pty Ltd, a company controlled by Mr P Poulos, a Director	**2,947**	2,693
Contributions to the Greystanes Foundation of net fundraising performed on its behalf. Greystanes Disability Services is a named beneficiary of the Greystanes Foundation	**-**	115,432
Consultancy fees for the performance of a Human Resources review of operations, paid to Alexis Viles, a Director.	**6,400**	-
Total key management personnel transactions	**9,347**	118,125

17 Cash Flow Information

(a) Reconciliation of cash

	Note	2014 $	2013 $
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	4	**2,388,607**	2,449,561
Cash and cash equivalents		**2,388,607**	2,449,561

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014 $	2013 $
Total surplus/(deficit) for the year	**(97,853)**	(69,108)
Cash flows excluded from profit attributable to operating activities		
- Interest on borrowings	**1,926**	683
Non-cash flows in profit:		
- depreciation	**174,735**	164,243
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**80,736**	(136,758)
- (increase)/decrease in prepayments	**-**	(16,701)
- (increase)/decrease in inventories	**38,965**	(3,983)
- increase/(decrease) in income in advance	**(18,754)**	89,005
- increase/(decrease) in trade and other payables	**126,664**	194,088
- increase/(decrease) in provisions	**(33,797)**	(10,129)
Cashflow from operations	**272,622**	211,340

18 Insurance Cover

	2014	2013
	$	$
Workers compensation expense		
- Current	**162,586**	163,715
- Prior year adjustment	**-**	(2,447)
Total workers compensation expense	**162,586**	161,268
Other insurance expense		
- Liability/professional liability	**25,359**	23,271
- Directors/management liability	**4,114**	4,114
Total other insurance expense	**29,473**	27,385
Total insurance expense	**192,059**	188,653

19 Fundraising

	2014	2013
Donations	**9,400**	16,679
Events	**800**	3,590
Raffle	**-**	1,858
Gross proceeds from fundraising	**10,200**	22,127
Less:		
Total cost of fundraising	**(45,646)**	(2,717)
Net fundraising income/(expense)	**(35,446)**	19,410

20 Company Details

The registered office of and principal place of business of the company is:

Greystanes Disability Services
2 Grose Street
LEURA NSW 2780

Greystanes Disability Services
ABN 48 002 905 802
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 27, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director	Director ....
Mr P Poulos	Mr F Norman

Dated September 24, 2014

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Greystanes Disability Services
ABN 48 002 905 802

Independent Audit Report to the members of Greystanes Disability Services

Report on the Financial Report

We have audited the accompanying financial report of Greystanes Disability Services, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Greystanes Disability Services, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Greystanes Disability Services is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Trumans

Trumans
Chartered Accountants

Peter Bray

Peter Bray
Partner

Level 6, 7 Help Street, Chatswood, NSW, 2067

26 September 2014

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