Greystanes Disability Services

ABN 48 002 905 802

Financial Report - 30 June 2018

Greystanes Disability Services
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30 June 2018

Greystanes Disability Services
Directors' report
30 June 2018

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2018.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Poulos - President
Pauline Neall - Vice President (resigned 3 July 2018)
Ron Jones - Treasurer
Robert Tinsey - Secretary
Maxine Kerrison
Frank Norman
Alexis Viles
Merylese Mercieca (appointed 27 October 2017)
Jane Adams (appointed 28 March 2018)
Tania Pearce (resigned 18 April 2018)

Objectives
The Company's short term 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.

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 in public profile;

- Developing a business plan to help guide the company; and

- Maintaining the Greystanes Foundation.

Principal activities
During the financial year the principal continuing activities of the company were the provision of accommodation and support to people with intellectual and / or physical disabilities.

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

- Collated questionnaires completed 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.

Information on directors

Name:	Peter Poulos
Title:	President
Experience and expertise:	Peter is the owner and manager of Theo Poulos Real Estate in Katoomba and has many years of experience in the field. Peter has overseen many advances at Greystanes and brings his experience and commitment to people with disabilities to his role as President of the Board.
Special responsibilities:	Finance Committee member
Name:	Pauline Neall
Title:	Vice President (resigned 3 July 2018)
Experience and expertise:	For many years, Pauline worked for the Blue Mountains City Council and, later in her career, as Office Manager for a Federal Member of Parliament. Pauline coordinated the Lawson Autumn Fair for ten years and served as the Secretary of the Hydrotherapy Pool Project Committee, raising funds for the hydrotherapy pool at the Blue Mountains District Anzac Memorial Hospital. She is also a member of the Lawson Chamber of Commerce and is Chair of the Greystanes Foundation.
Name:	Ron Jones
Title:	Treasurer
Qualifications:	Master of Business (Accounting) Fellow of CPA Australia Fellow of the Governance Institute of Australia Fellow of the Chartered Institute of Secretaries Fellow of the Institute of Public Accountants Justice of the Peace
Experience and expertise:	Ron was in public practice in the Blue Mountains from 2005 to 2015 since retiring from full time public practice. He continues to provide accounting and some audit services to community organisations and incorporated associations in the Blue Mountains and Penrith areas. Prior to being in public practice, Ron held senior finance positions in a number of Australian and overseas companies including over 15 years as Associate Director Finance at Jones Lang Lasalle.
Special responsibilities:	Finance Committee Chair
Name:	Robert Tinsey
Title:	Secretary and CEO
Qualifications:	Bachelor of Economics (major in Accounting) Bachelor of Law
Experience and expertise:	Robert has been a solicitor for over 37 years, practising as a sole practitioner in Katoomba since 2002 and has considerable experience in corporate and commercial matters. Robert is a Life Member of Hepatitis NSW, having served as a Board member for over 10 years. He has been an honorary solicitor for numerous service clubs, branches of charities and community organisations, and provided pro bono legal services throughout his career.
Special responsibilities:	Finance Committee member
Name:	Maxine Kerrison
Title:	Director
Experience and expertise:	For the past 30 years, Maxine has been involved with and worked for a number of disability organisations, working with group homes and assisting with the first Post School Options Program for deaf and blind young adults. After retiring from paid work, Maxine continued in the field as a volunteer for Riding for the Disabled (RDA) Blue Mountains. She is a Coach and President of RDA's Management Committee. Maxine is also a parent and carer for her daughter who attends Leura Day Options.

Name:	Frank Norman
Title:	Director
Experience and expertise:	Frank is a Public Accountant, Registered Tax Agent, Senior Partner of Frank Norman & Associates and Principal of Frank Norman & Associates - Blue Mountains NSW. As the Managing Director of Norman Consulting Services Pty Limited based in North Sydney, he provides management consulting and commercial negotiation services to a number of small to medium media and marketing clients in New South Wales and Victoria. Frank was a contributing author to "Music Business and the Law" and a financial advisor to "Current Affairs Bulletin" at Sydney University. Frank was a director of WEA adult education providers for ten years and has been an officer with the Katoomba Rotary Club since moving to the Blue Mountains in 1995. He has assisted in the Winter Magic Festival and is a consultant to the Blue Mountains Folk & Blues Music Festival.
Special responsibilities:	Finance Committee member

Name:	Alexis Viles
Title:	Director
Qualifications:	Bachelor of Health Administration Justice of the Peace
Experience and expertise:	Alexis retired from her position as Senior Nurse Manager in 2010. Her vast nursing experience included emergency and acute care and cardiology and health administration. Alexis has been the Chairperson of the Board of the Blue Mountains Retirement Village for nine years, is a trustee with the Blue Mountains Health Trust and a member of the Save the Children fund.

Name:	Merylese Mercieca
Title:	Director - appointed 27 October 2017
Qualifications:	Certificat IV Carbon Management Bachelor and Masters degree in Health Science
Experience and expertise:	Merylese has been responsible for Blue Eco Homes business operations since 2003, with responsibility for office administration, financial management and marketing. Before Blue Eco Homes, Merylese has a distinguished career in nursing. Most recently, she was a Clinical Nurse Consultant for Respiratory Inpatients at Sydney's Nepean Hospital. As a senior nursing practitioner, Merylese understands well the importance of time management, operational efficiency and client service and delivery.

Name:	Jane Adams
Title:	Director - appointed 28 March 2018
Qualifications:	Masters of Business Administration (Business Research) Bachelor of Teaching (Adult Education) Higher National Diploma Hotel and Catering Administration (Honours) Wine and Spirit Education Trust Higher Certificate
Experience and expertise:	Jane is an experienced, high achieving and strategic educational leader with over 26 years in the Australian adult education environment, a broad background in hospitality and extensive experience in both the VET and higher education sectors. Jane is currently Director of Campus Life, Laureate Australia and New Zealand and leads an effective and innovative campus leadership team for an international private higher education institution, delivering quality customer service for 10,700 students at 11 campuses across Australia, New Zealand and China. Jane is also responsible for the development and management of the organisation's Australian property portfolio worth over $18m per annum. The role requires her to be a leader of positive change and to execute the organisation's strategic direction through leading a strong and motivated team. Jane is an executive member of the Customer Experience group for the organisation.

Name:	Tania Pearce
Title:	Director - resigned 18 April 2018
Experience and expertise:	Tania is one of the owners of Da-Mell Air Conditioning & Heating Pty Limited, servicing the communities of Western Sydney and the Blue Mountains for over 25 years. She is pleased to have assisted scores of young apprentices to achieve trade qualifications. Tania is an active member of the Penrith Valley Chamber of Commerce as well as the Housing Industry Association. Tania has worked extensively in faith based charity organisations in the Emu Planes area, with a particular focus on mentoring young adults and providing compassionate service to persons in need.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board		Finance Committee	
	Attended	Held	Attended	Held
Peter Poulos	6	6	5	5
Pauline Neall	3	6	-	-
Ron Jones	6	6	5	5
Robert Tinsey	6	6	5	5
Maxine Kerrison	6	6	-	-
Frank Norman	6	6	4	5
Alexis Viles	4	6	-	-
Merylese Mercieca	4	4	-	-
Jane Adams	1	1	-	-
Tania Pearce	3	5	-	-

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up
In the event of the company being wound up, members are required to contribute a maximum of $100 each.

The total amount that members of the company are liable to contribute if the company is wound up is $2,000, based on 20 current ordinary members.

Auditor's independence declaration
A copy of the auditor's independence declaration is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Peter Poulos
President

Ron Jones
Treasurer

26 September 2018

William Buck

Greystanes Disability Services

Auditors Independence Declaration Under Section 60-40 of the Australian Charities and Not For Profit Commission Act 2012

I declare that, to the best of my knowledge and belief during the year ended 30 June 2018 there have been:

— No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

— No contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Domenic Molluso
Director

Sydney, 26 September 2018

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Greystanes Disability Services
Statement of comprehensive income
For the year ended 30 June 2018

	Note	2018 $	2017 $
Revenue	5	12,970,510	11,507,040
Fair value (decrement) / increment on investment properties		(15,376)	260,621
Total revenue		12,955,134	11,767,661
Expenses			
Accommodation services		(7,941,381)	(7,498,090)
MPS		(1,147,256)	(1,034,650)
Leura day options		(1,874,556)	(1,459,478)
Administrative expenses		(1,053,851)	(1,348,044)
Insurance expense		(242,323)	(173,796)
Total expenses		(12,259,367)	(11,514,058)
Surplus for the year attributable to the members of Greystanes Disability Services		695,767	253,603
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings		346,113	501,078
Items that may be reclassified subsequently to profit or loss			
Gain on the revaluation of available-for-sale financial assets		637	484
Other comprehensive income for the year		346,750	501,562
Total comprehensive income for the year attributable to the members of Greystanes Disability Services		1,042,517	755,165

Refer to note 4 for detailed information on Restatement of comparatives.

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Greystanes Disability Services
Statement of financial position
As at 30 June 2018

	Note	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	7	3,219,804	3,556,588
Trade and other receivables	8	190,060	266,662
Inventories	9	-	428,282
Other	10	100,631	13,388
Total current assets		3,510,495	4,264,920
Non-current assets			
Other financial assets	11	3,105	2,468
Investment properties	12	1,970,000	1,450,000
Property, plant and equipment	13	3,880,145	4,263,319
Total non-current assets		5,853,250	5,715,787
Total assets		9,363,745	9,980,707
Liabilities			
Current liabilities			
Trade and other payables	14	1,035,566	1,893,836
Borrowings	15	162,048	30,970
Employee benefits	16	1,012,965	1,153,389
Other	17	138,687	684,304
Total current liabilities		2,349,266	3,762,499
Non-current liabilities			
Borrowings	18	-	162,048
Employee benefits	19	151,345	235,543
Total non-current liabilities		151,345	397,591
Total liabilities		2,500,611	4,160,090
Net assets		6,863,134	5,820,617
Equity			
Reserves	20	4,527,606	3,306,856
Retained surpluses		2,335,528	2,513,761
Total equity		6,863,134	5,820,617

Refer to note 4 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Greystanes Disability Services
Statement of changes in equity
For the year ended 30 June 2018

	Asset Replacement Reserve $	Asset Revaluation Surplus $	Financial Asset Reserve $	Capital Profits Reserve $	Accumulated Surplus $	Total equity $
Balance at 1 July 2016	-	737,531	745	1,447,018	2,495,535	4,680,829
Restatement of comparatives (note 4)	-	620,000	-	-	(235,377)	384,623
Balance at 1 July 2016 - restated	-	1,357,531	745	1,447,018	2,260,158	5,065,452
Surplus for the year	-	-	-	-	253,603	253,603
Other comprehensive income for the year	-	501,078	484	-	-	501,562
Total comprehensive income for the year	-	501,078	484	-	253,603	755,165
Balance at 30 June 2017	-	1,858,609	1,229	1,447,018	2,513,761	5,820,617

Refer to note 4 for detailed information on Restatement of comparatives.

	Asset Replacement Reserve $	Asset Revaluation Surplus $	Financial Asset Reserve $	Capital Profits Reserve $	Accumulated Surplus $	Total equity $
Balance at 1 July 2017	-	1,858,609	1,229	1,447,018	2,513,761	5,820,617
Surplus for the year	-	-	-	-	695,767	695,767
Other comprehensive income for the year	-	346,113	637	-	-	346,750
Total comprehensive income for the year	-	346,113	637	-	695,767	1,042,517
Transfer to reserves	874,000	-	-	-	(874,000)	-
Balance at 30 June 2018	874,000	2,204,722	1,866	1,447,018	2,335,528	6,863,134

The above statement of changes in equity should be read in conjunction with the accompanying notes

Greystanes Disability Services
Statement of cash flows
For the year ended 30 June 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts from grants and clients		11,587,395	11,742,005
Payments to suppliers and employees		(11,872,034)	(11,476,580)
		(284,639)	265,425
Dividends received		-	95
Interest received		46,954	59,159
Interest and other finance costs paid		(15,610)	(17,860)
Net cash from/(used in) operating activities		(253,295)	306,819
Cash flows from investing activities			
Payments for property, plant and equipment	13	(131,411)	(33,092)
Proceeds from disposal of property, plant and equipment		79,015	1,908
Net cash used in investing activities		(52,396)	(31,184)
Cash flows from financing activities			
Proceeds from borrowings		-	21,522
Repayment of borrowings		(31,093)	(57,463)
Net cash used in financing activities		(31,093)	(35,941)
Net increase/(decrease) in cash and cash equivalents		(336,784)	239,694
Cash and cash equivalents at the beginning of the financial year		3,556,588	3,316,894
Cash and cash equivalents at the end of the financial year	7	3,219,804	3,556,588

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Greystanes Disability Services as an individual entity. The financial statements are presented in Australian dollars, which is Greystanes Disability Services's functional and presentation currency.

Greystanes Disability Services is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, investment properties and certain classes of property, plant and equipment.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue is recognised upon delivery of the service to clients.

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

If conditions are attached to the grant which must be satisfied before the company is eligible to receive the contributions, the recognition of the grant as revenue will be deferred until those conditions are satisfied and control of the funds is obtained.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a weighted average cost basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 2. Significant accounting policies (continued)

Investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the asset revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated either on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. Depreciation rates applied to each category of property, plant and equipment are as follows:

Buildings	2.5%
Plant and equipment	5.0 - 25%
Plant and equipment in group homes	2.5% - 25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Plant and equipment under lease is depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any asset revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Note 2. Significant accounting policies (continued)

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparative amounts
Comparatives have been adjusted to conform with changes in presentation for the current year.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3, specifically land and buildings recognised within property, plant and equipment as well as investment properties, is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Restatement of comparatives

Restatement of comparatives
During the 2018 financial year several adjustments to the 2017 comparative figures were identified by management and the board of directors. The adjustments / amendments required and processed were as follows:

Note 4. Restatement of comparatives (continued)

Income from NDIS totalling $103,767 was required to be recognised at 30 June 2017 and had not been previously recognised. The adjustment resulted in an increase in revenue and trade receivables.

A payroll accrual totalling $302,281 was required to be recognised at 30 June 2017. The adjustment resulted in an increase in trade and other payables of $302,281, an increase in accommodation services expense of $66,904 and a decrease in retained earnings of $235,377.

As disclosed in the 2017 financial report, the fair value of land & buildings as at the 30 June 2017 included a land component of $2,200,000 and a building component of $775,000. However, due to 80% of the original funding for the building being provided by the NSW Government, only 20% of the value of the building ($150,000) had previously been reported within the land & buildings total figure.

Management performed title searches with respect to the property located at 2 Grose Street Leura which revealed no mortgage, charge or other encumbrance. A search of the company's records revealed no mortgage, charge or other encumbrance being given by the Board to the NSW Government over the land at 2 Grose Street, Leura. Any claim by the NSW Government on the company in relation to funds granted for building works would be statute barred under the Limitation Act 1969. Due to this situation the Directors consider that it is prudent to include the full value of the buildings in the current years financial report and to correspondingly adjust the 2017 comparative figures. The adjustment resulted in a $620,000 increase in land and buildings and asset revaluation reserve.

Further, two reclassification adjustments were identified. The first relating to a prepayment balance recorded within trade and other receivables totalling $3,051. The second being a reclassification of the GST receivable balance totalling $69,879 from trade and other creditors to trade and other receivables.

Statement of comprehensive income

Extract	2017 $ Reported	$ Adjustment	2017 $ Restated
Revenue	11,403,273	103,767	11,507,040
Expenses			
Accommodation services	(7,431,186)	(66,904)	(7,498,090)
Surplus for the year attributable to the members of Greystanes Disability Services	216,740	36,863	253,603
Other comprehensive income for the year	501,562	-	501,562
Total comprehensive income for the year attributable to the members of Greystanes Disability Services	718,302	36,863	755,165

Statement of financial position at the beginning of the earliest comparative period
When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2016. However, as there were no adjustments made as at 1 July 2016, the company has elected not to show the 1 July 2016 statement of financial position.

Note 4. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

Extract	2017 $ Reported	$ Adjustment	2017 $ Restated
Assets			
Current assets			
Trade and other receivables	96,067	170,595	266,662
Other	10,337	3,051	13,388
Total current assets	4,091,274	173,646	4,264,920
Non-current assets			
Property, plant and equipment	3,643,319	620,000	4,263,319
Total non-current assets	5,095,787	620,000	5,715,787
Total assets	9,187,061	793,646	9,980,707
Liabilities			
Current liabilities			
Trade and other payables	1,521,676	372,160	1,893,836
Total current liabilities	3,390,339	372,160	3,762,499
Total liabilities	3,787,930	372,160	4,160,090
Net assets	5,399,131	421,486	5,820,617
Equity			
Reserves	2,686,856	620,000	3,306,856
Retained surpluses	2,712,275	(198,514)	2,513,761
Total equity	5,399,131	421,486	5,820,617

Note 5. Revenue

	2018 $	2017 $
Sales revenue		
MPS sales	471,283	661,185
Client revenue	1,472,096	1,238,390
Training packages and DVD sales	5,332	2,697
NDIS revenue	9,643,540	5,795,976
	11,592,251	7,698,248
Other revenue		
Dividends	-	95
Interest	51,838	59,012
Rent	75,276	58,748
Gross proceeds from fundraising	50,300	24,250
Government grants	1,164,248	3,663,317
Membership revenue	200	180
Miscellaneous revenue	10,041	2,295
Gain on disposal of assets	26,356	895
	1,378,259	3,808,792
Revenue	12,970,510	11,507,040

Note 6. Expenses

	2018 $	2017 $
Surplus includes the following specific expenses:		
Cost of sales		
Cost of sales	410,987	305,400
Depreciation		
Land and buildings	56,854	57,078
Plant and equipment	136,866	147,597
Plant and equipment - group homes	3,877	3,897
Investment property	354	621
Total depreciation	197,951	209,193
Superannuation expense		
Defined contribution superannuation expense	928,738	898,123
Auditor remuneration - audit of the financial statements	35,000	44,912
Bad debts	-	325
Employee benefits (ex superannuation)	8,719,491	7,836,476
	8,754,491	7,881,713

Note 7. Current assets - cash and cash equivalents

	2018 $	2017 $
Cash at bank and in hand	1,605,851	1,650,346
Cash on deposit	1,613,953	1,906,242
	3,219,804	3,556,588

Note 8. Current assets - trade and other receivables

	2018 $	2017 $
Trade receivables	109,900	170,575
Other receivables	34,585	26,208
BAS receivable	45,575	69,879
	190,060	266,662

Note 9. Current assets - inventories

	2018 $	2017 $
Work in progress	-	84,859
Stock on hand	-	343,423
	-	428,282

Inventory on hand at 30 June related to the operations of Megalong Positioning Services (MPS), a division of Greystanes Disability Services. During the 2018 financial year MPS ceased to trade and as such no inventory remained on hand at 30 June 2018.

Note 10. Current assets - other

	2018 $	2017 $
Accrued revenue	15,221	10,337
Prepayments	85,410	3,051
	100,631	13,388

Note 11. Non-current assets - other financial assets

	2018 $	2017 $
Shares in listed entities - fair value	3,105	2,468

Note 12. Non-current assets - investment properties

	2018 $	2017 $
Investment properties - at fair value	1,970,000	1,450,000

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2018	2017
Opening fair value	1,450,000	1,190,000
Revaluation increments	-	260,621
Revaluation decrements	(15,376)	-
Transfer from plant, property and equipment	535,730	-
Depreciation expense	(354)	(621)
Closing fair value	1,970,000	1,450,000

Valuations of investment properties
The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Australian Valuers Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Note 13. Non-current assets - property, plant and equipment

	2018 $	2017 $
Land and buildings - at fair value	3,200,000	3,425,000
Plant and equipment - at cost	1,996,038	2,310,212
Less: Accumulated depreciation	(1,407,550)	(1,567,426)
	588,488	742,786
Plant and equipment in group homes	157,711	157,711
Less: Accumulated depreciation	(66,054)	(62,178)
	91,657	95,533
	3,880,145	4,263,319

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings $	Plant and equipment $	Plant and equipment in group homes $	Total $
Balance at 1 July 2017	3,425,000	742,785	95,534	4,263,319
Additions	21,471	109,940	-	131,411
Disposals	-	(127,371)	-	(127,371)
Revaluation increments	346,113	-	-	346,113
Transfers in/(out)	(535,730)	-	-	(535,730)
Depreciation expense	(56,854)	(136,866)	(3,877)	(197,597)
Balance at 30 June 2018	3,200,000	588,488	91,657	3,880,145

Note 13. Non-current assets - property, plant and equipment (continued)

Valuations of land and buildings
The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2018 by independent valuers. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Note 14. Current liabilities - trade and other payables

	2018 $	2017 $
Trade payables	81,635	294,932
Other payables	953,931	1,598,904
	1,035,566	1,893,836

Note 15. Current liabilities - borrowings

	2018 $	2017 $
Lease liability	162,048	30,970

Note 16. Current liabilities - employee benefits

	2018 $	2017 $
Employee benefits	1,012,965	1,153,389

Note 17. Current liabilities - other

	2018 $	2017 $
Revenue received in advance	138,687	684,304

Note 18. Non-current liabilities - borrowings

	2018 $	2017 $
Lease liability	-	162,048

Note 19. Non-current liabilities - employee benefits

	2018 $	2017 $
Non current employee benefits	151,345	235,543

Note 20. Equity - reserves

	2018 $	2017 $
Revaluation surplus reserve	2,204,721	1,858,608
Capital profits reserve	1,447,018	1,447,018
Financial asset reserve	1,867	1,230
Asset replacement reserve	874,000	-
	4,527,606	3,306,856

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Capital profits reserve
The reserve records profits made on disposal of assets or investments.

Financial asset reserve
The reserve is used to recognise increments and decrements in the fair value of shares in listed entities.

Asset replacement reserve
The reserve is used to recognise retained surpluses set aside for the acquisition of capital assets in future periods.

Note 21. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2018 $	2017 $
Aggregate compensation	905,982	793,557

Note 22. Contingent liabilities

The company has no contingent liabilities at 30 June 2018.

Note 23. Commitments

	2018 $	2017 $
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	162,048	30,970
One to five years	-	162,048
	162,048	193,018

Note 24. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

Note 24. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	2018 $	2017 $
Property management fees paid to Theo Poulos Real Estate Pty Ltd, a company controlled by Mr Peter Poulos, a Director	3,670	2,810
Legal fee retainer paid to Robert Tinsey Pty Ltd, a company controlled by Robert Tinsey, CEO and director	41,636	-

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 26. Charitable Fundraising Act 1991

	2018 $	2017 $
Donation revenue	50,300	23,950
Events revenue	-	300
Cost of fundraising	(80,132)	(58,188)
Net fundraising expense	(29,832)	(33,938)

Total costs of fundraising as a percentage of revenue from fundraising activities was 159% (2017: 240%).

Total net fundraising expense as a percentage of revenue from fundraising activities was (60%) (2017: negative 140%).

Greystanes Disability Services
Directors' declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

In compliance with Section 24 of the Charitable Fundraising Act 1991 and the Authority conditions, the directors also declare that:

- the statement of comprehensive income gives a true and fair view of all income and expenditure with respect to fundraising appeals;

- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;

- the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority to fundraise have been complied with; and

- the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

Signed in accordance with a resolution of directors made pursuant to section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors

Peter Poulos President	Ron Jones Treasurer

26 September 2018

Greystanes Disability Services

Independent Auditor's Report to Members

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Greystanes Disability Services (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration. In addition, we have audited the Company's compliance with the specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2018.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial report of Greystanes Disability Services has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b. Complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

In compliance with Section 24 of the *Charitable Fundraising Act 1991* and the Authority Condition, in our opinion:

a. The financial report of the Company gives a true and fair view of the financial results of fundraising appeals during the year ended 30 June 2018;

b. The accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulations;

c. Money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations; and

d. At the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

CHARTERED ACCOUNTANTS & ADVISORS

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Basis for Qualified Opinion

We were unable observe the counting of physical inventories at 30 June 2017 and were unable to satisfy ourselves by alternative means that inventory quantities held at 30 June 2017 existed and were complete. The value of inventory stated in the statement of financial position at 30 June 2017 totalled $428,282. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial report of Greystanes Disability Services for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on the financial report on 28 September 2017.

Responsibilities of the Directors 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 Regime, the ACNC Act and for compliance with the *Charitable Fundraising Act* 1991. The directors are also responsible 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Domenic Molluso
Director

Sydney, 26 September 2018