



Financial Statements

For the Year Ended 30 June 2016

Greystanes Disability Services

ABN 48 002 905 802

Contents

For the Year Ended 30 June 2016

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Directors' Report For the Year Ended 30 June 2016

The directors present their report on Greystanes Disability Services for the financial year ended 30 June 2016.

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	
Ms T Pearce	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 was 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 and long term 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.

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(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 in 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 \$ 218,299 (2015: \$35,824 operating deficit), after providing for income tax. The significant decline was largely as a result of the business needing to adjust to changes in the State and Federal funding environments.

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.

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Directors' Report For the Year Ended 30 June 2016

(b) Dividends paid or recommended

There were no dividends paid or declared during the current or previous financial years as the company's constitution prohibits the payment of any form of 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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may 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) 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.

(d) Future developments

Likely developments, future prospects and business strategies of the operations of the company and the expected 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 in unreasonable prejudice to the company.

4. Meetings of directors

During the financial year, 16 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		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
Mr P Poulos	6	6	6	5	4	4	16	15
Ms P Neall	6	4	-	-	-	-	6	4
Mr R Jones	6	4	6	5	4	4	16	13
Ms A Viles	6	5	-	-	-	-	6	5
Ms M Kerrison	6	4	-	-	-	-	6	4
Mr R Tinsey	6	5	-	-	-	-	6	5
Mr F Norman	6	5	6	5	4	4	16	14
Ms T Pearce	6	4	-	-	-	-	6	4

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Directors' Report For the Year Ended 30 June 2016


5. Indemnification and insurance of officers and auditors

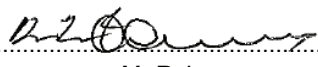
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Greystanes Disability Services. The Company has paid premiums to insure all directors against liabilities for costs and expenses incurred 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 wilful breach of duty in relation to the company. The amount of the premium was \$4,730. The company has not provided any insurance for the 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 2016 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 R Jones

Dated 28 September 2016

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 2016, 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
Chartered Accountants



Peter Bray
Partner

27 September 2016

Suite 302, 12 Help Street, Chatswood, NSW, 2067

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
Sales revenue	4	1,558,897	1,378,108
Other revenue	4	8,366,489	8,154,080
Administrative expenses		(1,570,161)	(1,403,314)
Leura day options		(1,180,910)	(1,170,425)
Accommodation services		(6,269,330)	(5,941,923)
Mandatory insurances	20	(204,473)	(232,997)
MPS		(918,811)	(819,353)
Operating surplus/(deficit) before income tax		(218,299)	(35,824)
Income tax expense	2(c)	-	-
Fair value increment/(decrement) on investment properties		175,636	65,652
Total surplus/(deficit) for the year		(42,663)	29,828
Other comprehensive surplus/(deficit)			
Net gain on revaluation of land and buildings		105,101	520,683
Net fair value movements for available-for-sale financial assets		(48)	(95)
Other comprehensive surplus/(deficit)		105,053	520,588
Total comprehensive surplus/(deficit)		62,390	550,416

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,316,894	3,565,141
Trade and other receivables	7	119,843	185,877
Inventories	8	268,197	192,161
Other assets	12	5,185	4,889
TOTAL CURRENT ASSETS		<u>3,710,119</u>	<u>3,948,068</u>
NON-CURRENT ASSETS			
Financial assets	9	1,984	2,031
Property, plant and equipment	10	3,318,736	3,175,064
Investment property	11	1,190,000	1,015,000
TOTAL NON-CURRENT ASSETS		<u>4,510,720</u>	<u>4,192,095</u>
TOTAL ASSETS		<u>8,220,839</u>	<u>8,140,163</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	3,081,998	3,300,980
Borrowings	14	54,674	25,350
TOTAL CURRENT LIABILITIES		<u>3,136,672</u>	<u>3,326,330</u>
NON-CURRENT LIABILITIES			
Borrowings	14	174,285	29,136
Long-term provisions	15	229,053	166,258
TOTAL NON-CURRENT LIABILITIES		<u>403,338</u>	<u>195,394</u>
TOTAL LIABILITIES		<u>3,540,010</u>	<u>3,521,724</u>
NET ASSETS		<u>4,680,829</u>	<u>4,618,439</u>
EQUITY			
Reserves		2,185,294	2,080,241
Accumulated surplus		2,495,535	2,538,198
TOTAL EQUITY		<u>4,680,829</u>	<u>4,618,439</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2016

2016

	Accumulated surplus	Capital Profits Reserve	Asset Revaluation Surplus	Financial Assets Reserve	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2015	2,538,198	1,447,018	632,430	793	4,618,439
Operating surplus/(deficit)	(218,299)	-	-	-	(218,299)
Fair value increment/(decrement) on investment properties	175,636	-	-	-	175,636
Total other comprehensive surplus/(deficit) for the period	-	-	105,101	(48)	105,053
Balance at 30 June 2016	2,495,535	1,447,018	737,531	745	4,680,829

2015

	Accumulated surplus	Capital Profits Reserve	Asset Revaluation Surplus	Financial Assets Reserve	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2014	2,508,370	1,447,018	111,747	888	4,068,023
Operating surplus/(deficit)	(35,824)	-	-	-	(35,824)
Fair value increment/(decrement) on investment properties	65,652	-	-	-	65,652
Total other comprehensive surplus/(deficit) for the period	-	-	520,683	(95)	520,588
Balance at 30 June 2015	2,538,198	1,447,018	632,430	793	4,618,439

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from grants and clients	9,962,812	10,872,933
Payments to suppliers and employees	(10,173,050)	(9,610,261)
Dividends received	142	142
Interest received	89,047	91,963
Net cash provided by/(used in) operating activities	19 <u>(121,049)</u>	<u>1,354,777</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	1,951
Purchase of property, plant and equipment	(288,839)	(158,412)
Net cash provided by/(used in) investing activities	<u>(288,839)</u>	<u>(156,461)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	217,436	-
Repayment of borrowings	(42,963)	(18,314)
Interest paid	(12,832)	(3,468)
Net cash provided by/(used in) financing activities	<u>161,641</u>	<u>(21,782)</u>
Net increase/(decrease) in cash and cash equivalents held	(248,247)	1,176,534
Cash and cash equivalents at beginning of year	3,565,141	2,388,607
Cash and cash equivalents at end of financial year	6 <u>3,316,894</u>	<u>3,565,141</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2016

The financial report covers Greystanes Disability Services as an individual entity. Greystanes Disability Services is a not-for profit Company limited by guarantee, incorporated and domiciled in Australia.

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

The financial report was authorised for issue by the Directors on 28 September 2016.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) 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 Company 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 depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably 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 estimated 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.

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

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(a) Revenue and other income continued

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.

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Donations and bequests are recognised as revenue when received.

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

(b) 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.

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash and cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the standard costs basis and is net of any rebates and discounts received.

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.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

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 are attributable to the manufacturing process in general that can be allocated on a reasonable basis.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

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 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 carrying 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.

Plant and equipment

Plant and equipment are measured using the cost model.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(f) Property, plant and equipment continued

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful life of the asset.

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

Fixed asset class	Depreciation rate
Freehold Land	0.00%
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.

(g) 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 independent valuers. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(h) 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 indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset 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.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(i) 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.

(j) 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 wholly 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 one year 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. Cashflows 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.

(k) 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 the period.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(l) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(l) Financial instruments continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(l) Financial instruments continued

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

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.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(m) 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.

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Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies continued

(n) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2016, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgments are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgments made have been described below.

Key estimates - fair value of investment properties

The fair value of investment properties was determined using a discounted cash flow model which used a number of unobservable inputs. Information about the inputs and assumptions used are included in the fair value and investment property notes.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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Notes to the Financial Statements For the Year Ended 30 June 2016

4 Revenue and Other Income

Revenue from continuing operations

		2016	2015
		\$	\$
Sales revenue			
- MPS sales		562,366	495,915
- Charges and fees		991,966	877,067
- Training packages and DVD sales		4,565	5,126
Total sales revenue		<u>1,558,897</u>	<u>1,378,108</u>
Other revenue			
- Interest revenue		89,047	91,963
- Dividend revenue		142	142
- Gross proceeds from fundraising	21	9,940	18,560
- Government grants		8,216,999	7,980,187
- Rental income		57,765	53,248
- Membership fees		230	-
- Misc. revenue		4,669	9,431
- Gain on disposal of assets		-	549
- Loss on disposal of assets		(12,303)	-
Total other revenue		<u>8,366,489</u>	<u>8,154,080</u>
Total revenue		<u><u>9,925,386</u></u>	<u><u>9,532,188</u></u>

5 Result for the Year

The result for the year includes the following specific expenses:

Cost of sales		213,829	155,310
Bad debts		1,175	200
Direct property expenditure from investment property generating rental income		16,120	19,891
Depreciation and amortisation			
- Depreciation - buildings	10(a)	57,202	56,977
- Depreciation - plant and equipment	10(a)	142,546	126,680
- Depreciation - plant and equipment in group homes	10(a)	3,945	3,980
- Depreciation - investment property	11	636	652
Total depreciation and amortisation		<u>204,329</u>	<u>188,289</u>
Employee benefits expense		8,312,471	7,745,432
Audit remuneration			
- Auditing or reviewing the financial report		40,150	38,220

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Notes to the Financial Statements For the Year Ended 30 June 2016

6 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash at bank and in hand	1,446,899	1,745,518
Short-term deposits	1,869,995	1,819,623
Total cash and cash equivalents	3,316,894	3,565,141

19(b)

7 Trade and Other Receivables

CURRENT		
Trade receivables	105,141	171,683
Other receivables	14,702	14,194
Total current trade and other receivables	119,843	185,877

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Current trade receivables are classified as non-interest bearing 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 and disclosed separately in Note: 5 to the financial statements. For the current and prior year the company has chosen not to recognise any impairment on trade receivables.

8 Inventories

CURRENT		
At cost:		
Work in progress	84,670	85,211
Stock on hand	183,527	106,950
Total inventories	268,197	192,161

Write downs of inventories to net realisable value during the year were \$ NIL (2015: \$ NIL).

9 Financial assets

NON-CURRENT		
Available for sale financial assets	1,984	2,031
Total non-current financial assets	1,984	2,031

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.

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Notes to the Financial Statements For the Year Ended 30 June 2016

10 Property, plant and equipment

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land		
Independent valuation	1,845,000	1,750,000
Total Land	<u>1,845,000</u>	<u>1,750,000</u>
Buildings		
At independent valuation	516,000	515,000
Total buildings	<u>516,000</u>	<u>515,000</u>
Total land and buildings	<u>2,361,000</u>	<u>2,265,000</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	2,330,894	2,238,753
Accumulated depreciation	(1,472,588)	(1,452,189)
Total plant and equipment	<u>858,306</u>	<u>786,564</u>
Computer software		
At cost	\$ -	\$ 20,000
Total computer software	<u>-</u>	<u>20,000</u>
Plant and equipment in group homes		
At cost	\$ 157,711	\$ 159,159
Accumulated depreciation	\$ (58,281)	\$ (55,659)
Total plant and equipment in group homes	<u>99,430</u>	<u>103,500</u>
Total plant and equipment	<u>957,736</u>	<u>910,064</u>
Total property, plant and equipment	<u>3,318,736</u>	<u>3,175,064</u>

The Company's land and buildings were revalued at 30 June 2016 by independent valuers. The 2016 valuation was performed by an independent valuer. Valuations were made using the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The revaluation surplus was credited to an asset revaluation reserve in shareholders' equity.

Buildings at independent valuation represent two separate buildings, Grose Street Leura, and Livingstone Street Lawson. The building at Lawson was valued at \$385,000. The building at Leura was valued at \$131,000 which represents 20% of the total building valuation of \$655,000. The building is carried at 20% as a result of the construction of it being funded by a capital grant from the NSW government of which the conditions stipulate that they retain an 80% ownership interest.

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Notes to the Financial Statements For the Year Ended 30 June 2016

10 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	Computer Software	Plant and Equipment in Group Homes	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2016						
Balance at the beginning of year	1,750,000	515,000	786,564	20,000	103,500	3,175,064
Additions	-	53,832	235,006	-	-	288,838
Disposals - written down value	-	(5,731)	(20,718)	(20,000)	(125)	(46,574)
Depreciation expense	-	(57,202)	(142,546)	-	(3,945)	(203,693)
Revaluation increase recognised in equity	95,000	10,101	-	-	-	105,101
Balance at the end of the year	1,845,000	516,000	858,306	-	99,430	3,318,736

Greystanes Disability Services

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Notes to the Financial Statements For the Year Ended 30 June 2016

11 Investment property

	2016	2015
	\$	\$
Balance at beginning of the year	1,015,000	950,001
Fair value adjustments	175,636	65,651
Depreciation - investment property	(636)	(652)
Balance at end of the period	1,190,000	1,015,000

12 Other non-financial assets

CURRENT		
Accrued income	5,185	4,889
Total other non-financial assets	5,185	4,889

13 Trade and other payables

CURRENT		
Trade payables	108,325	259,398
Income received in advance	1,357,735	1,475,236
GST liability	171,645	156,853
Employee benefits	995,294	994,573
Other payables	448,999	414,920
Total trade and other payables	3,081,998	3,300,980

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

14 Borrowings

CURRENT		
Finance lease obligation - secured	54,674	25,350
Total current borrowings	54,674	25,350
NON-CURRENT		
Finance lease obligation - secured	174,285	29,136
Total non-current borrowings	174,285	29,136
Total borrowings	228,959	54,486

Leased liabilities are secured by the underlying leased assets.

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Notes to the Financial Statements For the Year Ended 30 June 2016

15 Provisions

	2016	2015
	\$	\$
NON-CURRENT		
Employee entitlements	229,053	166,258
Total non-current provisions	229,053	166,258

16 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 2016 the number of members was 23 (2015: 24).

17 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	Community Living Manager
Susan Hatswell	Leura Day Options Manager
Wim Hartog	Megalong Positioning Services Manager
Leila Wright	Communications and Service Development Manager

For details of other transactions with key management personnel, refer to Note 18: Related Party Transactions.

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Notes to the Financial Statements For the Year Ended 30 June 2016

18 Related Parties

(a) **The Company's main related parties are as follows:**

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with related parties**

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

	2016	2015
	\$	\$
Consultancy fees and ex-gratia payments for the performance of a human resources review of operations, paid to Alexis Viles, a Director	-	31,510
Property management fees paid to Theo Poulos Real Estate Pty Ltd, a company controlled by Mr Peter Poulos, a Director	3,314	3,335
Total transactions with related parties	3,314	34,845

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Notes to the Financial Statements For the Year Ended 30 June 2016

19 Cash Flow Information

(a) Reconciliation of cash

		2016		2015
		\$		\$
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	6	3,316,894		3,565,141
Total cash and cash equivalents		3,316,894		3,565,141

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

Reconciliation of net surplus/(deficit) to net cash provided by operating activities:

		2016		2015
		\$		\$
Total surplus/(deficit) for the year, net of tax		(42,663)		29,828
Cash flows excluded from profit attributable to operating activities				
- Interest on borrowings		12,832		3,468
Non-cash flows in profit:				
- depreciation		204,329		188,289
- net (gain)/loss on disposal of property, plant and equipment		46,574		-
- investment property revaluation (increment)/decrement		(175,636)		(65,652)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
- (increase)/decrease in trade and other receivables		65,738		(18,179)
- (increase)/decrease in inventories		(76,036)		(54,259)
- increase/(decrease) in income in advance		(117,501)		1,274,633
- increase/(decrease) in trade and other payables		(101,481)		(43,885)
- increase/(decrease) in provisions		62,795		40,534
Cashflow from operations		(121,049)		1,354,777

Greystanes Disability Services

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Notes to the Financial Statements For the Year Ended 30 June 2016

20 Insurance cover

	2016	2015
	\$	\$
Workers compensation expense		
- Current	173,792	204,552
Other insurance expense		
- Liability/professional liability	25,951	23,957
- Directors/management liability	4,730	4,488
Total other insurances	<u>30,681</u>	<u>28,445</u>
Total insurance cover	<u>204,473</u>	<u>232,997</u>

21 Fundraising

Donations	4,640	17,760
Events	300	800
Gross proceeds from fundraising	<u>4,940</u>	<u>18,560</u>
Less:		
Total cost of fundraising	(55,740)	(48,576)
Net fundraising income/(expense)	<u>(50,800)</u>	<u>(30,016)</u>

22 Company Details

The registered office and principal place of business is:

Greystanes Disability Services
2 Grose Street
LEURA NSW 2780

Greystanes Disability Services

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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*, the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 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.

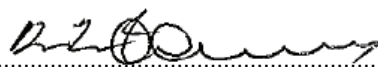
This declaration is made in accordance with a resolution of the Board of Directors.

Director



Mr P Poulos

Director



Mr R Jones

Dated 28 September 2016

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 2016, 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 the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 judgment, 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 Accounting Professional and Ethical Standards Board the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion

In our opinion 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* and the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC Act and the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



Trumans
Chartered Accountants



Peter Bray
Partner
Suite 302, 12 Help Street, Chatswood, NSW, 2067
29 September 2016