

# THE TIPPING FOUNDATION

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FINANCIAL  
REPORT  
**2016**

VISTA

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WE EMBRACE  
CHANGE**

Josh &  
Ashleigh





## **Victorian Person Centred Services Inc**

ABN: 64 762 103 425

INC.ASSOCIATION: A0012085P

For the Year Ended 30 June 2016

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

For the Year Ended 30 June 2016

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# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Directors' Report

For the Year Ended 30 June 2016

The Board members submit the special purpose financial report ("the financial report") of the Victorian Person Centred Services Inc (VPCS) for the financial year ended 30 June 2016.

### 1. Board Members

The Board of Governance of Victorian Person Centred Services Inc includes executive and community members who volunteer their time, skills and experience to support the mission of the organisation.

The names of board members throughout the year and at the date of this report are:

Margot Druce (Chair)  
Corinna Dieters (Deputy Chair)  
Candice Charles  
Geoff Donovan  
John Rowan  
Peter Williams  
Joseph Connellan (ceased April 2016)  
Andrew Macready-Bryan (ceased January 2016)  
Chris Gillman (ceased November 2015)

### 2. Secretary

Graeme Kelly was appointed to the position of Secretary on 3<sup>rd</sup> July 2012.

### 3. Principal Activities

In line with our Strategic Plan, we work with people who have disabilities, children who are vulnerable and families. This is achieved by:

- Driving client voice and decision making across all services, developing structures and mechanisms to ensure client input.
- Developing sustainable client led service and support to better meet client needs based on client feedback and research.
- Developing services and supports that exceed quality accreditation requirements and are proactive in reducing further need.

### 4. Operating and financial review

The deficit of the association for the financial year amounted to \$486,857 (2015: surplus of \$872,708).

The movement in total comprehensive income between 2016 and 2015 is primarily due to the reduction in overall service delivery hours in both Child Youth & Family Services and Community Support.

### 5. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature, in the opinion of the board members of VPCS, to affect significantly the operations of VPCS, the results of those operations, or the state of affairs of VPCS, in future years.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Directors' Report

For the Year Ended 30 June 2016

### 6. Likely developments

Further information about likely developments in the operations of VPCS and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to VPCS.

### 7. Indemnification and insurance of officers and auditors

#### Indemnification

Since the end of the previous financial year, VPCS has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of VPCS.

#### Insurance premiums

Since the end of the previous financial year, VPCS has not paid insurance premiums in respect of board members' and officers' liability and legal expense insurance contracts. All VPCS' insurance including board members' and officers' liabilities are covered by the Victorian Managed Insurance Authority as part of our contract with Department of Health and Human Services.

### 8. Environmental regulation

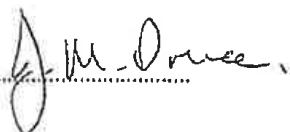
VPCS is not subject to any significant environmental regulations under either Commonwealth or State legislation.

### 9. Auditor's independence declaration

The auditor's independence declaration in accordance with subdivision 60-c section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 30 June 2016 has been revised and can be found on page 25 of the financial report.

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

Board Member: .....



Board Member: .....



Dated

25<sup>th</sup> October  
2016

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Statement of Surplus of Deficit and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<b>REVENUE FROM OPERATING ACTIVITIES</b>			
Revenue	4	29,397,689	32,326,176
Other income		127,735	89,807
		<u>29,525,424</u>	<u>32,415,983</u>
<b>OPERATING EXPENDITURE</b>			
Employee expenses	5	(23,089,844)	(24,112,825)
Staff development and welfare expenses		(15,827)	(24,281)
Depreciation expenses	10	(108,023)	(196,573)
Management fee expenses	17	(4,800,000)	(5,005,200)
Coordination and administration expense		(77,387)	(56,805)
Resident and service-participant expenses		(601,649)	(732,677)
Property expense		(754,929)	(780,458)
Communication and other expenses		(187,111)	(201,282)
Travel expense		(516,040)	(547,334)
		<u>(30,150,810)</u>	<u>(31,657,435)</u>
<b>NET (DEFICIT) / SURPLUS FROM OPERATING ACTIVITIES</b>		<u>(625,386)</u>	<u>758,548</u>
<b>FINANCE INCOME AND EXPENSES</b>			
Investment income		147,641	117,133
Finance charges and interest expenses		(9,112)	(2,973)
<b>NET FINANCE INCOME</b>		<u>138,529</u>	<u>114,160</u>
<b>NET (DEFICIT) / SURPLUS FROM ACTIVITIES</b>		<u>(486,857)</u>	<u>872,708</u>

The accompanying notes form part of the financial statements

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Statement of Surplus of Deficit and Other Comprehensive Income (continued)

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Net (deficit) / surplus for the year	(486,857)	872,708
Other comprehensive income for the year	-	-
Total comprehensive (deficit) / income for the year	(486,857)	872,708

The accompanying notes form part of the financial statements



# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	4,959,872	4,215,901
Investments	7	-	1,500,000
Trade and other receivables	8	1,839,978	1,707,009
Other assets	9	30,568	26,251
<b>TOTAL CURRENT ASSETS</b>		<b>6,830,418</b>	<b>7,449,161</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	182,271	251,443
<b>TOTAL NON-CURRENT ASSETS</b>		<b>182,271</b>	<b>251,443</b>
<b>TOTAL ASSETS</b>		<b>7,012,689</b>	<b>7,700,604</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,852,078	2,304,204
Employee benefits	12	1,802,075	1,558,587
Other Liabilities	13	1,565,005	1,587,756
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,219,158</b>	<b>5,450,547</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	12	504,130	473,799
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>504,130</b>	<b>473,799</b>
<b>TOTAL LIABILITIES</b>		<b>5,723,288</b>	<b>5,924,346</b>
<b>NET ASSETS</b>		<b>1,289,401</b>	<b>1,776,258</b>
<b>EQUITY</b>			
Retained funds		1,289,401	1,776,258
<b>TOTAL EQUITY</b>		<b>1,289,401</b>	<b>1,776,258</b>

The accompanying notes form part of the financial statements

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Statement of Changes in Equity

For the Year Ended 30 June 2016

### 2016

	Retained Funds \$	Total \$
Balance at 1 July 2015	1,776,258	1,776,258
Total comprehensive (deficit) for the year	(486,857)	(486,857)
Balance at 30 June 2016	<u>1,289,401</u>	<u>1,289,401</u>

### 2015

	Retained Funds \$	Total \$
Balance at 1 July 2014	903,550	903,550
Total comprehensive income for the year	872,708	872,708
Balance at 30 June 2015	<u>1,776,258</u>	<u>1,776,258</u>

The accompanying notes form part of the financial statements

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Statement of Cash Flows

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
<b>Cash from operating activities:</b>		
Payments to suppliers and employees	(31,410,043)	(32,699,159)
Receipts from government grants	26,551,976	28,167,295
Receipts from customers	3,991,389	4,303,982
Interest received	151,423	119,132
Finance charges and interest paid	(50,025)	(17,716)
<b>Net cash (used in) operating activities</b>	<b>18 (765,280)</b>	<b>(126,466)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of plant and equipment	70,856	112,439
Funds transferred from term deposits	1,500,000	-
Acquisition of property, plant and equipment	(61,605)	(89,590)
<b>Net cash provided by investing activities</b>	<b>1,509,251</b>	<b>22,849</b>
<b>Net cash increase / (decrease) in cash and cash equivalents</b>	<b>743,971</b>	<b>(103,617)</b>
Cash and cash equivalents at beginning of year	4,215,901	4,319,518
<b>Cash and cash equivalents at end of year</b>	<b>6 4,959,872</b>	<b>4,215,901</b>

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 1 Reporting Entity

Victorian Person Centred Services Inc (the "Association" or "VPCS") is a not-for-profit entity domiciled in Australia. The address of the Association registered office is 1036 Dandenong Road, Carnegie, Victoria 3163. The Association is principally involved in providing services to people with disability.

### Note 2 Basis of Preparation

#### (a) Basis of accounting

The board members have determined that VPCS is not publicly accountable nor a reporting entity. The special purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profit Commission Act 2012, Australian Charities and Not-for-profit Commission Regulation 2013, the Associations Incorporation Reform Act 2012 (Victoria) and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the board members to meet the needs of members:

*AASB 101 Presentation of Financial Statements*

*AASB 107 Statement of Cash Flows*

*AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*

*AASB 1048 Interpretation and Application of Standards*

*AASB 1054 Australian Additional Disclosures.*

The financial statements were approved by the Board Members on 25<sup>th</sup> October 2016.

#### (b) Basis of measurement

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values except where specifically stated.

#### (c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is VPCS' functional currency.

#### (d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of VPCS' accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Assumptions and estimation uncertainties

The Board evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within VPCS.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 2 Basis of Preparation (continued)

#### (d) Use of judgements and estimates (continued)

##### *Key estimates - Long Service Leave Provision*

VPCS has provided for long service leave for all employees in line with an Enterprise Bargaining Agreement (EWTF - EBA) or, where the EWTF - EBA is not applicable, the Long Service Leave Act 1992 (Victoria). This approach has been adopted notwithstanding the EWTF - EBA and the LSL Act allowing for the exclusion of casual employees from accruing long service leave subsequent to a break of greater than three months in continuous service.

### Note 3 Significant Accounting Policies

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

#### (a) Financial instruments

VPCS classifies non-derivative financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

VPCS classifies non-derivative financial liabilities into the other financial liabilities category.

##### i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

##### ii. Loans and receivables and held-to-maturity assets

VPCS initially recognises loans and receivables and deposits on the date that they originate.

Held to maturity financial assets is recognised initially at fair value plus any directly attributable transactions costs. Held to maturity financial assets comprises term deposits.

All other financial assets (including those designated at fair value through profit or loss) are recognised initially on the trade date, which is the date the company becomes a party to the contractual provisions of the investment.

VPCS derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by VPCS is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, VPCS has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### iii. Borrowings

Secured and unsecured loans have been obtained by VPCS. Carrying amounts therefore represent the amounts expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and are therefore presented as current liabilities.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 3 Significant Accounting Policies (continued)

#### (a) Financial instruments (continued)

##### iv. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by VPCS during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts typically paid within 30 days of recognition of the liability.

##### v. Share capital

VPCS is an unincorporated association and therefore does not have any share capital.

#### (b) Income taxes

The Association is endorsed as an income tax exempt charitable entity under Subdivision 50-B of the Income Tax Assessment Act 1997. No income tax is payable by VPCS as Section 23 of the Income Tax Assessment Act exempts charitable institutions from income tax.

#### (c) Property, plant and equipment

Each class of property, plant and equipment is measured on the cost basis, less depreciation and impairment losses where appropriate.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in the statement of surplus or deficit and other comprehensive income.

##### i. Plant and equipment

Plant and equipment are measured on the cost basis, less depreciation and impairment losses where appropriate.

The carrying amount of plant and equipment is reviewed annually by board members to ensure it is not in excess of the recoverable amount from these assets. Refer to note 3(d)(ii).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, on the basis that future economic benefits associated with the item will flow to the association and the cost of the item can be reliably measured.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

##### ii. Leasehold improvements

Leasehold improvements are carried at cost less, where applicable, any accumulated depreciation.

##### iii. Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in the statement of surplus or deficit.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 3 Significant Accounting Policies (continued)

#### (c) Property, plant and equipment (continued)

##### iii. Depreciation (continued)

The estimated useful lives of property, plant and equipment are as follows:

Class of Fixed Asset	2016	2015
Motor Vehicles	5 years	5 years
Plant and Equipment	3 years	3 years
Leasehold improvements	5 years	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Leasehold improvements are amortised over shorter period of useful life and lease term.

#### (d) Impairment

##### i. Non-derivative financial assets

A financial asset not carried at fair value through the statement of surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to VPCS on terms that VPCS would not consider otherwise, or indications that a debtor will enter bankruptcy. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of surplus or deficit and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of surplus or deficit.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to surplus or deficit.

##### ii. Non-financial assets

The carrying amounts of VPCS's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Where the future economic benefits of an asset are not dependent on the asset's ability to generate net cash inflows and where the Organisation would, if deprived of the asset, replace its remaining future economic benefit, value in use is determined as the asset's depreciated replacement cost. Depreciated replacement cost is defined as the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 3 Significant Accounting Policies (continued)

#### (d) Impairment (continued)

##### ii. Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses recognised in prior periods are assessed at each reporting date for any indicators that the loss has decreased and no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (e) Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plan if VPCS has a present legal or constructive obligation to pay this amount as result of past service provided by employee, and the obligation can be estimated reliably.

##### (ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (iii) Other long-term employee benefits

VPCS' net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value based on Australian corporate bond rates. Remeasurements are recognised in the statement of surplus or deficit and other comprehensive income in the period in which they arise.

##### (iv) Termination benefits

Termination benefits are expensed at the earlier of when VPCS can no longer withdraw the offer of those benefits and when VPCS recognises costs for a restructuring. If benefits are payable more than 12 months of the end of the reporting period, then they are discounted to their present value.

#### (f) Provisions

Provisions are recognised when the association 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.

Provisions are measured at the present value of management's best estimate of the amounts required to settle the obligation at the end of the reporting period.



# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 3 Significant Accounting Policies (continued)

#### (g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by VPCS during the reporting period which remain unpaid.

#### (h) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor are recognised in the statement of surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. VPCS does not have any finance leases at 30 June 2016.

Determining whether an arrangement contains a lease at inception of an agreement, VPCS determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met: 1) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and 2) the arrangement contains a right to use the asset(s). At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for lease and those for other elements on the basis of their relative fair values.

#### (i) Revenue and deferred revenue

Client revenue is recognised when the provision of services has been completed.

Grant income is recognised when the project or service specified by the grant agreement has been provided.

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

Donation income is recognised when the Association obtains control over the fund which is generally at the time of receipt. Capital donations for specified projects are recognised only when the purpose of the project is fulfilled.

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

Revenue from government grants and subsidies received for specific purposes is recognised only to the extent that monies have been expended in accordance with the funding agreement. Where the terms of that agreement stipulate that any unexpended funds may be required to be returned to the funding body, the unexpended funds are carried forward as "deferred income" as part of grants received in advance.

#### (j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 3 Significant Accounting Policies (continued)

#### (k) New accounting standards for application in future periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of VPCS, except for:

AASB 9 Financial Instruments which becomes mandatory for VPCS' 2018 financial statements and could change the classification and measurement of financial assets;

AASB 15 Revenue for contracts with customers, which becomes mandatory for VPCS' 2018 financial statements and could change the classification and recognition method of revenue; and

AASB 16 Leases which becomes mandatory for the Incorporation's 2020 financial statements and could result in all leases being recognised in the Statement of Financial Position.

VPCS does not plan to adopt the above standards early and the extent of the impact has not been determined as at the date of the approval of the financial statements.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 4 Revenue and Other Income

#### Revenue from Continuing Operations

	2016	2015
	\$	\$
Revenue		
- Government funding	21,489,227	23,915,546
- Contract, brokered income	7,718,858	8,243,595
- Supported person fees	186,386	167,035
- Donations and fundraising	3,218	-
<b>Total revenue from operating activities</b>	<b>29,397,689</b>	<b>32,326,176</b>

### Note 5 Employee Expenses

Salaries and wages	17,137,853	18,094,468
Superannuation	1,734,745	1,902,044
Workcover expenses	1,575,175	1,797,341
Termination expenses	128,517	181,616
Sick leave expenses	371,382	364,541
Annual leave	929,998	930,188
Long service leave	247,023	67,321
Training	195,450	240,409
Other employee costs	769,701	534,897
<b>Total employee expenses</b>	<b>23,089,844</b>	<b>24,112,825</b>

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 6 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	3,000	3,000
Cash at bank	4,956,872	4,212,901
Total cash and cash equivalents	4,959,872	4,215,901

Victorian Person Centred Services holds a number of bank accounts in trust for its clients in each of their houses for the purpose of client related expenditure. These bank accounts are not recognised as part of the cash and cash equivalents of Victorian Person Centred Services as they do not control the cash. In the current year, this balance is \$12,601 (2015: \$11,364).

### Note 7 Investments

Held-to-maturity investments including term deposits	-	1,500,000
Total Investments	-	1,500,000

### Note 8 Trade and other receivables

#### Current

Trade receivables	1,599,248	1,645,741
Receivables from related party	228,363	45,532
Rental bonds	12,367	15,736
Total trade and other receivables	1,839,978	1,707,009

### Note 9 Other Assets

Prepayments	9,750	1,650
Interest receivable	20,818	24,601
Total other assets	30,568	26,251

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 10 Property plant and equipment

	2016	2015
	\$	\$
<b>Non-Current</b>		
<b>PLANT AND EQUIPMENT</b>		
<b>Furniture, fixture and fittings</b>	<b>69,146</b>	<b>184,524</b>
Furniture, fixture and fittings at cost	(39,251)	(137,050)
Accumulated depreciation	29,895	47,474
Total furniture, fixture and fittings		
<b>Motor vehicles</b>		
Motor vehicles at cost	298,344	576,054
Accumulated depreciation	(294,412)	(539,229)
Total motor vehicles	3,932	36,825
<b>Office equipment</b>		
Office equipment at cost	-	676
Accumulated depreciation	-	(676)
Total office equipment	-	-
<b>Computer equipment</b>		
Computer equipment at cost	44,433	96,270
Accumulated depreciation	(16,266)	(61,699)
Total computer equipment	28,167	34,571
<b>Leasehold improvements</b>		
Improvements at cost	324,071	279,712
Accumulated depreciation	(203,794)	(147,139)
Total leasehold improvements	120,277	132,573
<b>Work-In-Progress</b>		
	-	-
<b>Total property, plant and equipment</b>	<b>182,271</b>	<b>251,443</b>

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 10 Property plant and equipment (Continued)

#### Movements in Carrying Amounts

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

	Furniture, Fixtures and Fittings	Motor Vehicles	Plant and Equipment	Computer equipment	Leasehold Improvements	WIP	Total
	\$	\$	\$	\$	\$	\$	\$
<b>2016</b>							
Balance at 1 July 2015	47,474	36,825	-	34,571	132,573	-	251,443
Additions	12,314	-	-	4,932	44,359	-	61,605
Disposals	(12,708)	(9,295)	-	(751)	-	-	(22,754)
Depreciation expense	(17,185)	(23,598)	-	(10,585)	(56,655)	-	(108,023)
Balance at 30 June 2016	29,895	3,932	-	28,167	120,277	-	182,271
<b>2015</b>							
Balance at 1 July 2014	61,066	211,848	-	2,866	161,217	505	437,502
Additions	23,343	-	-	40,887	24,774	586	89,590
Disposals	(6,704)	(71,050)	-	(231)	-	-	(77,985)
Expensed to P/L	-	-	-	-	-	(1,091)	(1,091)
Depreciation expense	(30,231)	(103,973)	-	(8,951)	(53,418)	-	(196,573)
Balance at 30 June 2015	47,474	36,825	-	34,571	132,573	-	251,443

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 11 Trade and other payables

	2016	2015
	\$	\$
<b>Current</b>		
Trade payables – others	189,746	248,706
Trade payables – related party	1,115,355	610,214
Net GST Payable	48,842	153,468
Accrued expenses	498,135	1,291,816
Total trade and other payables	<u>1,852,078</u>	<u>2,304,204</u>

### Note 12 Employee benefits provision

<b>Current</b>		
Provision for annual leave	1,083,842	1,057,045
Provision for long service leave	718,233	501,542
Total current provision for long service leave	<u>1,802,075</u>	<u>1,558,587</u>
<b>Non-Current</b>		
Provision for long service leave	504,130	473,799
Total non-current provision for long service leave	<u>504,130</u>	<u>473,799</u>

### Note 13 Other Liabilities

Grants received in advance	1,565,005	1,587,756
Total grants received in advance	<u>1,565,005</u>	<u>1,587,756</u>

### Note 14 Capital and Leasing Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements are as follows:

Payable - minimum lease payments:

- not later than 12 months	129,906	127,502
- between 12 months and five years	153,022	40,061
Total operating lease commitments	<u>282,928</u>	<u>167,563</u>

During the year \$394,973 was recognised as an expenses in surplus or deficit in respect of operating leases (2015: \$414,892)

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 15 Commitments and Contingencies

The organisation enters into operating leases over residential property on behalf of some clients. These transactions may expose the organisation to liability where there are significant amounts of unpaid rent or significant damage to the leased asset. The organisation was not a trustee of any trust during the year ended 30 June 2016. There has been no change in contingent liabilities since the last annual reporting date.

### Note 16 Auditors' Remuneration

	2016	2015
	\$	\$
Audit and assurance – KPMG	37,748	32,761
Total Auditors' Remuneration	37,748	32,761

### Note 17 Related Party Transactions

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

Victorian Person Centred Services Inc (VPCS) has a service agreement with The Tipping Foundation Ltd (TTF) whereby specialist staff are employed to service TTF's community based services as and when they are required. Some members of the VPCS board are also on the board of VPCS.

VPCS has provided an unsecured loan to TTF which is disclosed in note 8 to the financial statements.

Management fees paid to TTF	4,800,000	5,005,200
Total related party transactions	4,800,000	5,005,200



# Victorian Person Centred Services Inc

ABN: 64 762 103 425

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### Note 18 Cash Flow Information

#### Reconciliation of cashflow from operations with surplus for the year

	2016	2015
	\$	\$
Net (deficit) / surplus for the year	(486,857)	872,708

#### Non – cash flows in surplus

Depreciation	108,023	196,573
Net gain on sale of property, plant and equipment	(48,101)	(34,454)
Capital transferred to operating expense	-	1,091
	(426,935)	1,035,918

#### Changes in assets and liabilities

(Increase) / decrease in trade receivables and other assets	(137,286)	863,157
(Decrease) in trade payables and accruals	(452,126)	(1,708,720)
(Decrease) in other liabilities	(22,752)	(460,923)
Increase in employee benefits provisions	273,819	144,102
Net cash (used in) operating activities	(765,280)	(126,466)

### Note 19 Events After the End of the Reporting Period

No other matter has arisen since the end of the financial year which would materially affect the operations of the Association.

### Note 20 Economic dependence

VPCS is dependent on the grants from State and Commonwealth Governments for a significant portion of its revenue used to operate the business. At the date of this report the Board members have no reason to believe the grants from the State and Commonwealth Government's will not continue to be provided. The reduction in such grants could result in a significant reduction of VPCS' services.

# Victorian Person Centred Services Inc

ABN: 64 762 103 425

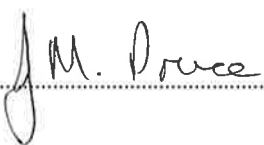
## Directors' Declaration

In the opinion of the directors of Victorian Person Centred Services Inc ("the Entity")

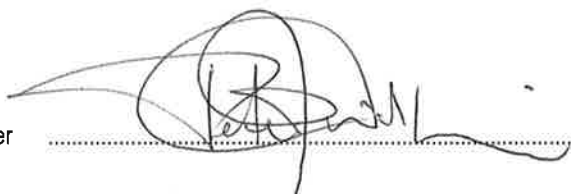
- (a) The entity is not publicly accountable nor a reporting entity.
- (b) the financial statements and notes, set out on pages 3 to 21, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulation 2013 and the Associations Incorporation Reform Act 2012 (Victoria), including:
  - (i) giving a true and fair view of the financial position of the Entity as at 30 June 2016 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Notes 1 to 3; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) There are reasonable grounds to believe that Victorian Person Centred Services Inc will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Board member



Board member



Dated 25 October 2016



## **Independent auditor's report to the members of Victorian Person Centred Services Inc.**

We have audited the accompanying financial report, being a special purpose financial report of Victorian Person Centred Services Inc. (the Entity), which comprises the statements of financial position as at 30 June 2016, and statements of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

This audit report has also been prepared for the members of the Entity in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and the Associations Incorporation Reform Act 2012 (Victoria) (collectively the Act and Regulations).

### *Directors' responsibility for the financial report*

The Directors of the Entity are responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the ACNC and the Associations Incorporations Reform Act 2012 (Victoria) and have determined the basis of preparation described in notes 1 to 3 to the financial statements is appropriate to meet the requirements of the ACNC and the Act and Regulations and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards to the extent described in Notes 1 to 3 and the ACNC and the Associations Incorporation Reform Act 2012 (Victoria), a true and fair view which is consistent with our understanding of the Entity's financial position and of its performance.

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



**Independent auditor's report to the members of Victorian Person Centred Services Inc. (continued)**

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

*Auditor's opinion*

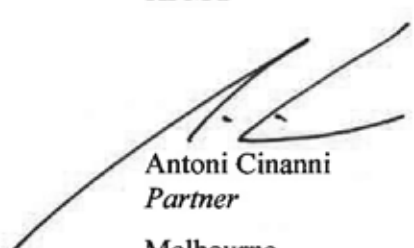
In our opinion, the financial report of Victorian Person Centred Services Inc. is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the Associations Incorporations Reform Act 2012 (Victoria) including:

- (a) giving a true and fair view of the financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis of accounting*

Without modifying our opinion, we draw attention to Note 2 to the financial statements, 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 the Associations Incorporations Reform Act 2012 (Victoria). As a result, the financial report may not be suitable for another purpose.

KPMG  
KPMG



Antoni Cinanni  
Partner

Melbourne

25 October 2016




**Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012**

To: the directors of Victorian Person Centred Services

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

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

KPMG  
KPMG



Antoni Cinanni  
*Partner*

Melbourne

25 October 2016





# Our offices

## Metropolitan offices

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Swan Hill, Victoria 3585  
Telephone 03 5033 0204



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and the key financials on  
the web, go to:

**tipping.org.au**

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Tax-deductible Gift Recipient.  
ABN 59 032 986 751  
ACN 152 848 505



The Tipping Foundation  
acknowledges the support of  
the Victorian Government.

