

Victorian Person Centred Services Inc

ABN: 64 762 103 425

INC.ASSOCIATION: A0012085P

Special Purpose Financial Report

For the Year Ended 30 June 2014

Victorian Person Centred Services Inc

ABN: 64 762 103 425

For the Year Ended 30 June 2014

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Victorian Person Centred Services Inc

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Directors' Report

For the Year Ended 30 June 2014

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 2014.

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:

John Rowan (Chair until November 2013)

Margot Druce (Deputy Chair until November 2013. Chair from November 2013)

Chris Gillman

Bernard Flood (ceased November 2013)

John McKenna (Deputy Chair from November 2013)

Peter Williams

Corinna Dieters

Geoff Donovan

Andrew Macready-Bryan (commenced November 2013)

Candice Charles (commenced November 2013)

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.

Operating result

The deficit of the association for the financial year amounted to \$1,686,434 (2013: surplus of \$725,117).

Movement in total comprehensive income between 2014 and 2013 is a result of changing in services delivery of client hours and volatility of OoHC (Out of Home Care) activities.

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 directors of the Foundation, to affect significantly the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation, in future years.

Likely developments

Further information about likely developments in the operations of the Foundation 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 the Foundation.

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Directors' Report

For the Year Ended 30 June 2014

Indemnification and insurance of officers and auditors


Indemnification

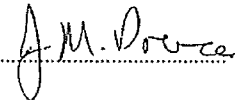
Since the end of the previous financial year, the Foundation has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Foundation.

Insurance premiums

Since the end of the previous financial year, the Foundation has not paid insurance premiums in respect of directors' and officers' liability and legal expense insurance contracts, as the Foundation's directors' and officers' liabilities are covered by the Victorian Managed Insurance Authority.

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

Board Member: 
JOHN GERARD ROWAN

Board Member: 

Dated 28/10/2014.

Victorian Person Centred Services Inc

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Statement of Surplus or Deficit and Other Comprehensive Income

For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
REVENUE FROM OPERATING ACTIVITIES			
Revenue	4	32,618,033	35,033,750
Other income		94,977	262,227
		32,713,010	35,295,977
OPERATING EXPENDITURE			
Employee expenses	5	(24,300,673)	(25,693,411)
Staff development and welfare		(57,927)	(135,731)
Management fee expense	17	(6,720,000)	(4,890,791)
Coordination and administration expense		(202,347)	(144,834)
Resident and service-participant expenses		(764,546)	(778,404)
Property expense		(1,170,799)	(1,392,929)
Communication and other expenses		(237,263)	(273,158)
Travel expense		(789,882)	(911,905)
		(34,243,437)	(34,221,163)
NET (DEFICIT) / SURPLUS FROM OPERATING ACTIVITIES		(1,530,427)	1,074,814
REVENUE FROM INVESTING ACTIVITIES			
Investment income		151,183	116,361
Rental income		17,663	-
		168,846	116,361
INVESTMENT EXPENDITURE			
Finance charges and interest		(2,856)	(68,665)
		(2,856)	(68,665)
NET SURPLUS FROM INVESTING ACTIVITIES		165,990	47,696
REVENUE FROM CAPITAL ACTIVITIES			
Capital funding		-	11,367
CAPITAL EXPENSES			
Profit from sale of fixed assets		34,990	3,633
Depreciation expenses	10	(356,987)	(412,393)
		(321,997)	(408,760)
NET (DEFICIT) FROM CAPITAL ACTIVITIES		(321,997)	(397,393)
NET (DEFICIT) / SURPLUS FROM ACTIVITIES		(1,686,434)	725,117
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE (DEFICIT) / INCOME FOR THE YEAR		(1,686,434)	725,117

The accompanying notes form part of the financial statements

Victorian Person Centred Services Inc

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Statement of Financial Position

As at 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,319,518	5,235,087
Investment	7	1,500,000	-
Trade and other receivables	8	2,569,817	3,251,999
Other assets	9	26,600	180,206
TOTAL CURRENT ASSETS		8,415,935	8,667,292
NON - CURRENT ASSETS			
Property, plant and equipment	10	437,502	861,080
TOTAL NON - CURRENT ASSETS		437,502	861,080
TOTAL ASSETS		8,853,437	9,528,372
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	4,012,924	2,971,879
Employee benefits	12	1,308,311	1,001,282
Other liabilities	13	2,048,679	2,468,474
TOTAL CURRENT LIABILITIES		7,369,914	6,441,635
NON - CURRENT LIABILITIES			
Employee benefits	12	579,973	496,753
TOTAL NON - CURRENT LIABILITIES		579,973	496,753
TOTAL LIABILITIES		7,949,887	6,938,388
NET ASSETS		903,550	2,589,984
EQUITY			
Retained funds		903,550	2,589,984
TOTAL EQUITY		903,550	2,589,984

The accompanying notes form part of the financial statements

Victorian Person Centred Services Inc

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Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Retained Funds	Total
	\$	\$
Balance at 1 July 2013	2,589,984	2,589,984
Loss for the year	(1,686,434)	(1,686,434)
Balance at 30 June 2014	903,550	903,550

2013

	Retained Funds	Total
	\$	\$
Balance at 1 July 2012	1,864,867	1,864,867
Surplus for the year	725,117	725,117
Balance at 30 June 2013	2,589,984	2,589,984

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Statement of Cash Flows

For the Year Ended 30 June 2014

		2014	2013
	Note	\$	\$
Cash from operating activities:			
Payments to suppliers and employees		(32,433,480)	(35,544,429)
Receipts from customers and Government		32,340,212	35,601,826
Receipts from donations		16,278	50
Interest received		124,583	116,361
Interest paid		-	(63,735)
Net cash provided by operating activities	18	47,593	110,073
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		185,176	22,904
Fund transfer to term deposit		(1,500,000)	-
Acquisition of property, plant and equipment		(83,595)	(313,102)
Repayments from related parties		435,257	-
Net cash (used) by investing activities		(963,162)	(290,198)
Cash flows from financing activities:			
Proceeds from borrowings		-	-
Net cash used by financing activities		-	-
Net cash (decreases) in cash and cash equivalents		(915,569)	(180,125)
Cash and cash equivalents at beginning of year		5,235,087	5,415,212
Cash and cash equivalents at end of year	6	4,319,518	5,235,087

Victorian Person Centred Services Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 1 Reporting Entity

Victorian Person Centred Services Inc (the "Association") 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 directors have determined that the Foundation 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 directors 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 of Directors on 28th October 2014.

(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 or, except where specifically stated, current valuations of non-current assets.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Foundation's 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 the Foundation's 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 the Foundation.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 2 Basis of Preparation (continued)

(d) Use of judgements and estimates (continued)

Key estimates - Long Service Leave Provision

The Foundation 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.

(e) Changes in accounting policies

Except for the changes below, the Foundation has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements. The Foundation has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

Employee benefits

In the current year, the Foundation adopted AASB 119 Employee benefits (2011), which revised the definition of short-term employee benefits to benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As a result of the change, the annual leave liability for certain of the Foundation's employees is now considered to be an other long-term employee benefit, when previously it was a short-term benefit. The Foundation's obligation is determined as the amount of future benefit that employees have earned in return for their service in the current and prior periods, applying actuarial assumptions, discounted to determine its present value. Remeasurements are recognised in the statement of surplus or deficit in the period in which they arise. The Foundation has applied the new policy retrospectively in accordance with the transitional provision of the standard. The impact on the comparative figures and opening statement of financial position of the earliest comparative period presented (1 July 2013) is not material.

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

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

The Foundation 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 3 Significant Accounting Policies (continued)

a Financial instruments (continued)

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

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

The Foundation 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 the Foundation 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, the Foundation 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 the Foundation. 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.

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 the Foundation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

v. Share capital

The Foundation 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 the Foundation 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 3 Significant Accounting Policies (continued)

c Property, plant and equipment (continued)

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 directors to ensure it is not in excess of the recoverable amount from these assets.

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. Land is not depreciated.

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

Class of Fixed Asset	2014	2013
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.

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 the Foundation on terms that the Foundation would not consider otherwise, or indications that a debtor will enter bankruptcy.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2014

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

Note 3 Significant Accounting Policies (continued)

d Impairment (continued)

ii. Non-financial assets

The carrying amounts of the Foundation'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.

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 the Foundation 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

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

The Foundation's 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. Remeasurements are recognised in statement of surplus or deficit in the period in which they arise.

(iv) Termination benefits

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

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 3 Significant Accounting Policies (continued)

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 using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor are recognised in 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. The Foundation does not have any finance leases at 30 June 2014.

h Revenue and deferred revenue

Client revenue is recognised when the provision of services has been completed or where no future obligations exist.

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".

i 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.

j Housekeeping

The association records funds transferred to the various houses as expended when they are transferred rather than when they are actually spent. It therefore follows that the cash at bank amount included in the financial report, does not reflect or include any balances in the "household" bank accounts. These amounts represent cash of \$36,607 (2013: \$58,996) at balance date.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

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 the Foundation, except for AASB 9 Financial Instruments, which becomes mandatory for the Foundation's 2016 financial statements and could change the classification and measurement of financial assets. The Foundation does not plan to adopt this standard early and the extent of the impact has not been determined.

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 4 Revenue and Other Income Revenue from Continuing Operations

	2014	2013
	\$	\$
Revenue		
- Government funding	24,878,552	25,228,592
- Contract, brokered income	7,566,958	9,472,886
- Supported persons fees	172,523	332,272
Total revenue from operating activities	32,618,033	35,033,750

Note 5 Employee Costs

Salaries and wages	18,520,086	20,637,070
Superannuation	1,868,030	2,010,707
Workcover	1,600,454	1,693,352
Termination	186,885	32,009
Sick leave expense	299,186	54,901
Annual leave	934,406	688,333
Long service leave/Long service leave adjustments	178,052	(88,887)
Training	365,414	355,068
Other employee costs	348,160	310,858
Total employee costs	24,300,673	25,693,411

Due to change in accounting policies, it resulted negative expenses in 2013

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 6 Cash and cash equivalent

	2014	2013
	\$	\$
Cash on hand	3,900	3,900
Cash at bank	4,315,618	5,231,187
Total Cash and cash equivalents	<u>4,319,518</u>	<u>5,235,087</u>

Victorian Person Centred Services holds a number of bank accounts in trust for 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. In the current year, this balance is \$36,607 (2013: \$58,996).

Note 7 Investments

Held-to-maturity investments including term deposits	1,500,000	-
Total Investments	<u>1,500,000</u>	<u>-</u>

Note 8 Trade and other receivables

Current

Trade receivables	2,540,200	2,774,379
Rental bonds	29,617	42,363
Receivables from related parties	-	435,257
Total trade and other receivables	<u>2,569,817</u>	<u>3,251,999</u>

Note 9 Other Assets

Prepayments	-	180,206
Interest Receivable	26,600	-
Total other assets	<u>26,600</u>	<u>180,206</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 10 Property plant and equipment

	2014	2013
	\$	\$
Non-Current		
PLANT AND EQUIPMENT		
Furniture, fixture and fittings		
Furniture, fixture and fittings at cost	188,859	228,121
Accumulated depreciation	(127,793)	(143,321)
Total furniture, fixture and fittings	61,066	84,800
Motor vehicles		
Motor vehicles at cost	964,821	1,194,006
Accumulated depreciation	(752,973)	(740,008)
Total motor vehicles	211,848	453,998
Office equipment		
Office equipment at cost	676	1,171
Accumulated depreciation	(676)	(1,070)
Total office equipment	-	101
Computer equipment		
Computer equipment at cost	120,911	177,338
Accumulated depreciation	(118,045)	(152,819)
Total computer equipment	2,866	24,519
Leasehold improvements		
Improvements	254,938	395,735
Accumulated amortisation	(93,721)	(98,073)
Total leasehold improvements	161,217	297,662
Work-In-progress	505	-
Total property, plant and equipment	437,502	861,080

Victorian Person Centred Services Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2014

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 at cost	Leasehold Improvements	WIP	Total
	\$	\$	\$	\$	\$	\$	\$
2014							
Balance at 1 July 2013	84,800	453,998	101	24,519	297,662	-	861,080
Additions	23,161	18,491	-	-	41,438	505	83,595
Disposals	(9,164)	(40,840)	-	(1,054)	(99,128)	-	(150,186)
Depreciation expense	(37,731)	(219,801)	(101)	(20,599)	(78,755)	-	(356,987)
Balance at 30 June 2014	61,066	211,848	(0)	2,866	161,217	505	437,502

2013

Balance at 1 July 2012	129,341	691,369	445	79,611	79,510	-	980,276
Additions	9,525	-	-	1,301	302,276	-	313,102
Disposals	(9,453)	-	-	(5,552)	(4,900)	-	(19,905)
Depreciation expense	(44,613)	(237,371)	(344)	(50,841)	(79,224)	-	(412,393)
Balance at 30 June 2013	84,800	453,998	101	24,519	297,662	-	861,080

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 11 Trade and other payables

	2014	2013
	\$	\$
Current		
Trade payables - others	143,733	280,533
Trade payables - related party	1,559,807	-
Net GST payable	386,439	440,347
Accrued expenses	1,922,945	2,083,630
Amounts payable to EWTF	-	167,369
	<u>4,012,924</u>	<u>2,971,879</u>

Note 12 Employee benefits provision

Current		
Provision for annual leave	980,265	760,157
Provision for long service leave	328,046	233,247
Other provision	-	7,878
	<u>1,308,311</u>	<u>1,001,282</u>

Non-Current

Provision for long service leave	579,973	496,753
	<u>579,973</u>	<u>496,753</u>

Note 13 Other Liabilities

Grants received in advance	2,048,679	2,468,474
	<u>2,048,679</u>	<u>2,468,474</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	146,247	180,954
- between 12 months and five years	84,851	182,520
Total operating lease commitments	<u>231,098</u>	<u>363,474</u>

During the year \$505,739 was recognised as an expense in surplus or deficit in respect of operating leases (2013: \$706,362)

Victorian Person Centred Services Inc

ABN: 64 762 103 425

Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 15 Contingent Liabilities

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 2014. There has been no change in contingent liabilities since the last annual reporting date.

Notes 16 Auditors' Remuneration

	2014	2013
	\$	\$
Audit and assurance-Saward Dawson	-	22,750
Audit and assurance-KPMG	31,900	-
Other services	-	10,000
Total Auditors' Remuneration	31,900	32,750

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 E.W. Tipping Foundation Inc (EWTF) whereby specialist staff are employed to service EWTF's community based services as and when they are required. Some members of the VPCS board are also on the board of the Foundation.

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

	2014	2013
	\$	\$
Net of loan to E W Tipping Foundation	-	287,397
Management fees paid to EW Tipping	6,720,000	4,890,791
Total related party transactions	6,720,000	5,178,188

Victorian Person Centred Services Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2014

Note 18 Cash Flow Information

Reconciliation of cashflow from operations with surplus for the year

	2014	2013
	\$	\$
Net (deficit) / surplus for the year	(1,686,434)	725,117
Non - cash flows in surplus		
Depreciation	356,987	412,393
Net gain on sale of property, plant and equipment	(34,990)	3,633
Movement in provision for doubtful debts	-	(6,633)
Changes in assets and liabilities		
Decrease in trade and term receivables	400,531	769,286
Increase / (decrease) in trade payables and accruals	1,041,046	(627,423)
(Decrease) in other liabilities	(419,795)	(736,309)
Increase / (decrease) in employee benefits provisions	390,248	(429,991)
Net cash provided by operating activities	<u>47,593</u>	<u>110,073</u>

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.

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")

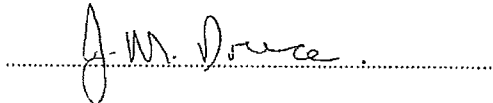
- (a) The entity is not publicly accountable nor a reporting entity.
- (b) the financial statements and notes, set out on pages 3 to 20, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulation 2013 and 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 2014 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 Notes 1 to 3, 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


Tony Gears Rowan

Board member


J.M. Druce

Dated

28/10/2014



Independent audit 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 statement of financial position as at 30 June 2014, and the statement 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 19 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Entity.

This audit report has also been prepared for the members of 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 that 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 a 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, being a special purpose 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 the 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 Association 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 audit 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*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Victorian Person Centred Services Inc on 28 October 2014, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

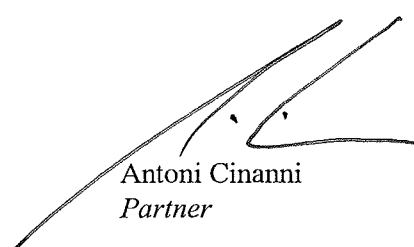
In our opinion, the financial report of Victorian Person Centred Services Inc is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the Association Incorporation Reform Act 2012 (Victoria) including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards 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 Incorporation Reform Act 2012 (Victoria). As a result, the financial report may not be suitable for another purpose.


KPMG



Antoni Cinanni
Partner

Melbourne

3 November 2014




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 2014 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

28 October 2014