



PEEL HOME & COMMUNITY SUPPORT INC.
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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Peel Home & Community Support Inc.

Profit & Loss Statement
For the year ended 30 June 2018

	2018
	\$
Income	
Grants Received - DSC	375,146
Other Income	100
Total Income	375,246
Expenses	
Accounting and Audit fees	1,020
Bank Charges	10
Computer Expenses	108
Insurance	9,727
Telephone & Internet Expenses	844
License Fees & Utility Contributions COM	974
Legal Fees	1,396
Motor Vehicle Expenses	214
Memberships & Subscriptions	1,079
Printing, Postage & Stationery	1,597
Salaries, Wages, Contract Carers & Superannuation	280,328
Staff Training	95
Travel Expenses	17
Utilities	338
Sundry expenses	272
Total Expenses	298,019
Net Surplus	77,227

The accompanying notes form part of these financial statements.

Peel Home & Community Support Inc.

Balance Sheet
As at 30 June 2018

	2018
Assets	\$
Current Assets	
CBA Bank Account	49,146
CBA Bank Account No 2	39,932
Prepayments	11,324
Total Current Assets	100,402
Total Assets	100,402
Liabilities	
Current Liabilities	
Trade Creditors	29
Accrued Expenses	10,583
Unspent Grant Funds - DSC	17,212
GST Payble / (Receivable)	10,820
PAYG Withholding Payable	1,871
Superannuation Payable	5,538
Insurance Payable	13,074
Provision for Annual Leave	1,788
Total Current Liabilities	60,916
Total Liabilities	60,916
Net Assets	39,486
Equity	
Retained Earnings	(37,741)
Current Year Earnings	77,227
Total Equity	39,486

The accompanying notes form part of these financial statements.

Peel Home & Community Support Inc.

Statement of Cash Flows
As at 30 June 2018

	Note	2018
<u>Cash Flows from Operating Activities</u>		
Grant Funding		387,557
Sundry receipts		100
Staff employment expenses		(279,992)
Supplies and services		(19,498)
Net cash provided by operating activities	6	<u>88,166</u>
Net increase in cash held		88,166
Cash assets at the beginning of the year		912
Cash Assets at the end of the year		<u><u>89,078</u></u>

The accompanying notes form part of these financial statements.

Peel Home & Community Support Inc.

**Statement of Changes in Equity
As at 30 June 2018**

	Note	2018 \$
Balance at 1 July 2017		(37,741)
Surplus for the year		<u>77,227</u>
Balance at 30 June 2018		<u><u>39,486</u></u>

PEEL HOME & COMMUNITY SUPPORT INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporations Act (WA) 2015. The Committee has determined that the association is not a reporting entity.

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.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised when received.

Funding from the Disability Services Commission is recorded as income when received, adjusted for funding which is known to be refundable at balance date due to loss of client and confirmed by correspondence with the Disability Services Commission.

Funding refundable at balance date as advised by the Disability Services Commission is recognised as a liability within the balance sheet – refer Note 3 for further details.

(b) Non Current Assets

Effective 1 July 2017, Peel Home & Community Support Inc. adopted the accruals basis of accounting, whereby the depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Prior to this date, asset purchases have been expensed in the period costs were incurred.

Expenditure on items of equipment worth \$1,000 or less (GST exclusive) are not capitalised.

(c) Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount as at balance date, exclusive of on-costs, if any.

Long service leave is recognised once an employee reaches seven years of continuous service.

NOTE 2. CONCESSIONS AND CHARITY STATUS

The Australian Taxation office endorsed Peel Home & Community Supports Inc. as a Public Benevolent Institution and it is eligible for the following concessions:

- (i) GST concession;
- (ii) FBT exemption; and
- (iii) Income taxation exemption.

Peel Home & Community Supports Inc. is endorsed as a deductible Gift Recipient (DGR).

PEEL HOME & COMMUNITY SUPPORT INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 3. FUNDING REFUNDABLE AS AT 30 JUNE 2018

Peel Home & Community Support Inc. has provided for funding to be refunded to the Disability Services Commission as a result of lost clients as at 30 June 2018 of \$17,212.

NOTE 4. LEASING COMMITMENTS

Effective 1 March 2016, Peel Home & Community Support Inc. entered into a Short Term Non-exclusive Licence agreement with the City of Mandurah to lease a portion of the office space at 63 Ormsby Terrace, Mandurah until 1 March 2018 (option to extend for a further 2 years).

The City of Mandurah invoices Peel Home & Community Support Inc. on a monthly basis for their portion of Licence & Utility fees.

NOTE 5. FINANCIAL SUPPORT

The ongoing operation of the Peel Home & Community Supports Inc. is dependent upon the continued financial support by way of funding from the Disability Services Commission.

Financial support received by the Peel Home & Community Supports Inc. during the year ending 30 June 2018 (GST exclusive) :

	2018	2017
Disability Services Commission	\$ 375,146	\$ 359,008

NOTE 6. CASH FLOW RECONCILIATION

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

	2018
	\$
Net surplus	77,227
<u>(Increase)/Decrease in Assets</u>	
Prepayments	(11,019)
<u>Increase/(Decrease) in Liabilities</u>	
Accounts payable	9,213
Provisions	335
Unspent Grant Funds	<u>12,410</u>
Net cash provided by operating activities	<u>88,166</u>

NOTE 7. CHANGE IN ACCOUNTING POLICY

Peel Home & Community Support Inc. previously reported utilising the cash basis of accounting up to and including 30 June 2017. Effective 1 July 2017, the Board adopted a change in the basis of accounting to prepare the 30 June 2018 financial report on the accruals basis.

As a result, comparatives are not provided within this financial report.

PEEL HOME & COMMUNITY SUPPORT INC.

STATEMENT BY MEMBERS OF THE BOARD

The Board have determined that the association is not a reporting entity.

The Board have determined that this special purpose financial report should be prepared in accordance with the Associations Incorporation Act (WA) 2015, the Australian Charities and Not-for-profits Commission Act 2012 and the accounting policies outlined in Note 1 to the financial report.

In the opinion of the Board:

1. The financial statements and notes of Peel Home & Community Support Inc. are in accordance with the Associations Incorporation Act (WA) 2015 and the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a) Giving a true and fair view of the financial position of Peel Home & Community Support Inc. as at 30 June 2018 and its performance for the year ended on that date; and
 - b) Complying with the accounting policies described in Note 1 to the financial statements.
2. At the date of this statement, there are reasonable grounds to believe that of Peel Home & Community Support Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Dani Musicka
Board Member



Janine Pace
Board Member

Dated this 30th day of October 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PEEL HOME & COMMUNITY SUPPORT INC.**

Qualified Opinion

We have audited the financial report of Peel Home & Community Support Inc. which comprises the balance sheet as at 30 June 2018, the profit or loss statement, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report has been prepared in accordance with the *Associations Incorporation Act (WA) 2015* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i) Giving a true and fair view, in all material respects, of the financial position of Peel Home & Community Support Inc. as at 30 June 2018, and of its financial performance for the year then ended; and
- ii) Complying with the accounting policies described in Note 1 to the financial statements, the *Associations Incorporation Act (WA) 2015* and *Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Qualified Opinion

Opening Balances

Effective 1 July 2017, Peel Home & Community Support Inc. commenced reporting in accordance with the accruals basis of accounting. Previous financial reports and therefore audit opinions related to the cash receipts and payments of the entity with balance sheet accounts not audited. It has not been practicable for us to verify or otherwise obtain sufficient information concerning the entity's opening balances at 1 July 2017, other than cash. Since the opening balances impact directly on the determination of the results of operations, we were unable to ascertain whether adjustments to the results of operations carried forward might be necessary for the year ended 30 June 2018 as a consequence of any misstatement of the opening balances and relevant supporting information.

As we have not undertaken an audit of the balance sheet accounts for the year ended 30 June 2017, we cannot provide an opinion in respect to whether opening balances are correct.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Peel Home & Community Support Inc. in accordance with the *Associations Incorporation Act (WA) 2015*, the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter- Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Peel Home & Community Support Inc. to meet the requirements of the *Associations Incorporation Act (Western Australia) 2015 and the Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter- Economic Dependency

We draw attention to Note 5 to the financial statements which outlines that the ongoing operation of Peel Home & Community Support Inc. is dependent upon the continued receipt of funding from the Disability Services Commission. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (Western Australia) 2015, the Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing Peel Home & Community Support Inc.'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate Peel Home & Community Support Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Peel Home & Community Support Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AMD Chartered Accountants



MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 31st day of October 2018

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF PEEL HOME & COMMUNITY SUPPORT INC.**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2018, there have been no contraventions of:

- i) The auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

**MARIA CAVALLO CA
Director**

Bunbury, WA

Dated this 29th day of October 2018