



CHRISTOPHER COOTE & CO.

CHARTERED ACCOUNTANTS

The Screen Industry Specialists

- Auditing
- Taxation
- Xero/MYOB Accounting
- Business Development

Phoenix House Youth Services Incorporated

ABN 75 019 767 380

Financial Statements For the year ended 30 June 2016

Liability limited by a scheme approved under Professional Standards Legislation

Christopher Coote & Co. Pty Ltd ABN 25 003 511 573 Authorised Audit Company

Christopher Coote & Co. Services Pty Ltd ABN 65 001 904 329 Taxation & Accounting

Suite 10, 2 Kochia Lane, Lindfield NSW 2070 • Tel: +61 2 9416 6766 • Fax: +61 2 9416 6755

Email chris@chriscoote.com.au • www.chriscoote.com.au • Principal: Christopher Coote FCA



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Phoenix House Youth Services
ABN 75 019 767 380
Financial Statements
For the year ended 30 June 2016

Contents

Board's Report	Page 2
Income and Expenditure Statement	Page 3
Detailed Balance Sheet	Page 5
Statement of Cash Flow	Page 7
Notes to the Financial Statements	Page 9
Statement by Members of the Board	Page 12
Auditors Report	Page 13
NSW Family Funding Reports	Appendix 1 to 5

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Board's Report
For the year ended 30 June 2016

Your board members submit the financial accounts of Phoenix House Youth Services Incorporated for the financial year ended 30 June 2016.

Board Members

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

Brian Pereira
 Des Hammond
 Richard Dynon
 Chris Dunwell
 Edmund D'Cruz
 Jason Van Eyl

Principal Activities

The principal activities of the association during the financial year were: provision of youth services.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The deficit from ordinary activities after providing for income tax amounted to

Year ended 30 June 2016	Year ended PrevYearEnd
\$	\$
(44,540)	696,152

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



 Brian Pereira - Chairman



 Des Hammond - Treasurer

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Income and Expenditure Statement
For the year ended 30 June 2016

	2016 \$	2015 \$
Income		
Interest	775	5,004
Government Grants	718,740	835,555
Miscellaneous income	3,885	8,738
Income from other grants/donations	174,881	25,902
Rental income		11,031
Shared services allocation	104,025	
Profit on sale of property		580,000
Total income	<u>1,002,306</u>	<u>1,466,229</u>
Expenses		
Marketing & Comm	11,296	29,933
Capital Expenditure less than \$1,000		2,574
Finance/Admin	32,172	64,904
Client expenses	19,428	28,518
Information Technology	1,975	5,021
Counselling	51,192	
Consultancy Fees	18,793	75,215
Depreciation	75,374	60,683
Programs	30,961	99,471
Rent & Overheads	40,361	85,159
Salaries	688,341	275,737
Redundancy payment	53,077	
Sundry Expenses	9,277	8,109
Training & Development Staff	10,720	26,196
Transport Costs	3,881	8,558
Total expenses	<u>1,046,845</u>	<u>770,078</u>
Profit (loss) from ordinary activities before income tax	(44,540)	696,152
Income tax revenue relating to ordinary activities		
Profit (loss) from ordinary activities after income tax	(44,540)	696,152
Profit/(loss) from extraordinary items after related income tax		(1,298,718)
Net profit (loss) attributable to the association	(44,540)	(602,566)

The accompanying notes form part of these financial statements.

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Income and Expenditure Statement
For the year ended 30 June 2016

	2016 \$	2015 \$
Total changes in equity of the association	<u>(44,540)</u>	<u>(602,566)</u>
Opening retained profits	101,529	704,095
Net profit (loss) attributable to the association	<u>(44,540)</u>	<u>(602,566)</u>
Closing retained profits	<u>56,989</u>	<u>101,529</u>

The accompanying notes form part of these financial statements.

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Detailed Balance Sheet as at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash Assets			
Bank		141,314	261,297
Cash on hand		500	980
		141,814	262,277
Receivables			
Trade debtors/Bond		4,290	4,290
		4,290	4,290
Total Current Assets		146,104	266,567
Non-Current Assets			
Property, Plant and Equipment			
Computer Equipment		69,148	64,647
Less: Accumulated depreciation		(27,375)	(7,487)
Fixtures and Fittings		73,331	67,449
Less accumulated depreciation		(68,663)	(64,968)
Leasehold Improvements at cost		181,650	131,526
Less accumulated depreciation		(137,604)	(102,613)
Plant & Equipment		5,797	5,797
Less: Accumulated depreciation		(5,797)	(4,734)
Rental Prop. Furniture & Fittings		71,368	71,368
less accumulated depreciation		(67,866)	(62,351)
Motor vehicles - at cost		51,110	51,110
Less: Accumulated depreciation		(41,741)	(31,519)
		103,359	118,225
Total Non-Current Assets		103,359	118,225
Total Assets		249,463	384,792

The accompanying notes form part of these financial statements.

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Detailed Balance Sheet as at 30 June 2016

	Note	2016 \$	2015 \$
Current Liabilities			
Payables			
Unsecured:			
Trade creditors & other payables		13,909	187,418
Donations/Grants in Advance		17,438	44,300
		<u>31,347</u>	<u>231,718</u>
Current Tax Liabilities			
Taxation		25,496	
		<u>25,496</u>	
Provisions			
Employee entitlements		76,671	48,286
Short term provisions		58,960	3,259
		<u>135,631</u>	<u>51,545</u>
Total Current Liabilities		<u>192,474</u>	<u>283,263</u>
Total Liabilities		<u>192,474</u>	<u>283,263</u>
Net Assets		<u>56,989</u>	<u>101,529</u>
Members' Funds			
Accumulated surplus (deficit)		56,989	101,529
Total Members' Funds		<u>56,989</u>	<u>101,529</u>

The accompanying notes form part of these financial statements.

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Statement of Cash Flows
For the year ended 30 June 2016

	2016	2015
	\$	\$
Cash Flow From Operating Activities		
Receipts from funders	1,001,531	1,461,645
Payments to Suppliers and employees	(1,087,757)	(948,745)
Interest received	775	5,004
Income tax paid	25,496	
Net cash provided by (used in) operating activities (note 2)	(59,956)	517,905
Cash Flow From Extraordinary Items		
Net cash provided by (used in) extraordinary item (note 3)		(1,298,718)
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	(60,507)	688,862
Net cash provided by (used in) investing activities	(60,507)	688,862
Net increase (decrease) in cash held	(120,463)	(91,951)
Cash at the beginning of the year	262,277	354,228
Cash at the end of the year (note 1)	141,814	262,277

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Statement of Cash Flows
For the year ended 30 June 2016

2016

2015

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Bank	141,314	261,297
Cash on hand	500	980
	<u>141,814</u>	<u>262,277</u>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax

Operating profit after income tax	(44,540)	696,152
Depreciation	75,374	60,683
Increase/(decrease) in provision for income tax	25,496	
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors		420
Increase (decrease) in trade creditors and accruals	(173,510)	88,446
Increase (decrease) in other creditors	(26,862)	(750)
Increase (decrease) in employee entitlements	28,385	(309,385)
Increase (decrease) in sundry provisions	55,701	(17,661)
Net cash provided by (used in) operating activities	<u>(59,956)</u>	<u>517,905</u>

Note 3. Reconciliation Of Net Cash Provided By (Used In) Extraordinary Item To Extraordinary Item After Income Tax

Profit (loss) on extraordinary items		(1,298,718)
(Increase) decrease in income tax payable		
Net cash provided by (used in) extraordinary item		<u>(1,298,718)</u>

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act . 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 historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The association does not apply deferred tax.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be used.

(b) Property, Plant and Equipment (PPE)

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

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Notes to the Financial Statements
For the year ended 30 June 2016

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(c) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(d) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(e) 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 reasonably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) Cash and Cash Equivalents

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

(g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

(h) Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases.

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Notes to the Financial Statements
For the year ended 30 June 2016

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(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 assets and liabilities statement are shown inclusive of GST.

(j) 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 association 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.

Note 2: Profit/(loss) from extraordinary items after related income tax

During the year ending 30 June 2015, the Board of Phoenix House Youth Services Incorporated approved the sale of its property located at 422 Penshurst Street, Chatswood. The property was sold for \$1,330,000, resulting in a booked profit on sale of \$580,000. At the time of settlement of the sale, the Board bequeathed a donation of \$1,298,718 from Phoenix House Youth Services Incorporated to Phoenix House Foundation, which was paid from the net proceeds received from the sale of the property. Given the nature and size of the bequeathed donation, the donation has been recorded as a loss on extraordinary items in the Income and Expenditure Statement for the year ending 30 June 2015.

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Statement by Members of the Board
For the year ended 30 June 2016


In the opinion of the Board the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of Phoenix House Youth Services Incorporated as at 30 June 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association 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:



Brian Pereira
Chairman



Des Hammond
Treasurer

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Auditors Report

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Phoenix House Youth Services Incorporated (the association), which comprises the Statement by Members of the Board, Income and Expenditure Statement, Balance Sheet, notes comprising a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2016.

Board's Responsibility for the Financial Report

The board of Phoenix House Youth Services Incorporated are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Act and is appropriate to meet the needs of the members. The board's responsibilities also includes such internal control as the board determine is necessary to enable the preparation of a financial report that 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 have conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 association'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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial report.

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Phoenix House Youth Services Incorporated as at 30 June 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act .

Phoenix House Youth Services Incorporated
Phoenix House Youth Services Inc ABN 75 019 767 380
Auditors Report

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Phoenix House Youth Services Incorporated to meet the requirements of the Associations Incorporation Act . As a result, the financial report may not be suitable for another purpose.

Signed

Christopher Coote & Co Pty Ltd

Chartered Accountants - Authorised Audit Company

2 Kochia Lane, Lindfield NSW 2070

Christopher Coote FCA

Date:

14 November 2016

Profit & Loss
Phoenix House Youth Services Inc
GIT
1 July 2015 to 30 June 2016

Appendix 1

30 Jun 16

Income	
Government Grants	\$37,436.20
Interest	\$61.06
Total Income	\$37,497.26
<hr/>	
Gross Profit	\$37,497.26
<hr/>	
Less Operating Expenses	
Client Expenses	\$23,322.60
Finance/Admin	\$8,080.34
Programs	\$10,192.57
Rent & Overheads	\$1,333.64
Sundry Expenses	-\$10.40
Training & Development Staff	\$66.39
Transport Costs	\$79.50
Total Operating Expenses	\$43,064.64
<hr/>	
Net Profit	-\$5,567.38

Profit & Loss
Phoenix House Youth Services Inc
SSF
1 July 2015 to 30 June 2016

Appendix 2

30 Jun 16

Income	
Government Grants	\$484,439.16
Interest	\$681.82
Total Income	\$485,120.98
<hr/>	
Gross Profit	\$485,120.98
<hr/>	
Less Operating Expenses	
Client Expenses	\$1,806.86
Consultancy Fees	\$7,500.00
Finance/Admin	\$119,270.60
I.T	\$345.41
Marketing & Comm	\$2,500.00
Programs	\$42,335.33
Rent & Overheads	\$2,892.81
Salaries	\$312,748.15
Sundry Expenses	\$470.48
Training & Development Staff	\$3,649.76
Transport Costs	\$71.29
Total Operating Expenses	\$493,590.69
<hr/>	
Net Profit	-\$8,469.71

Profit & Loss
Phoenix House Youth Services Inc
HelpSt lunch/bdays
1 July 2015 to 30 June 2016

Appendix 3

30 Jun 16

Income	
Income from Other Grants	\$10,000.00
Total Income	\$10,000.00
<hr/>	
Gross Profit	\$10,000.00
<hr/>	
Less Operating Expenses	
Client Expenses	\$1,132.40
Finance/Admin	\$29.98
Programs	\$8,041.22
Sundry Expenses	\$44.86
Total Operating Expenses	\$9,248.46
<hr/>	
Net Profit	\$751.54
<hr/>	

Profit & Loss
Phoenix House Youth Services Inc
CYFS
1 July 2015 to 30 June 2016

Appendix 4

30 Jun 16

Income	
Government Grants	\$196,864.43
Interest	\$274.76
Total Income	\$197,139.19

Gross Profit **\$197,139.19**

Less Operating Expenses

Client Expenses	\$474.54
Counselling/Psychologist	\$51,191.81
Finance/Admin	\$47,106.47
Marketing & Comm	\$2,000.00
Programs	\$233.21
Rent & Overheads	\$998.68
Salaries	\$101,254.82
Sundry Expenses	\$140.14
Training & Development Staff	\$158.95
Transport Costs	\$684.42
Total Operating Expenses	\$204,243.04

Net Profit **-\$7,103.85**

Profit & Loss
Phoenix House Youth Services Inc
Management/Admin
1 July 2015 to 30 June 2016

Appendix 5

30 Jun 16

Income	
Income from Other Grants	\$164,880.79
Interest	-\$242.65
Miscellaneous Income	\$3,020.00
Other Income	\$865.00
Shared Services Allocation	\$104,025.00
Total Income	\$272,548.14
<hr/>	
Gross Profit	\$272,548.14
<hr/>	
Less Operating Expenses	
Client Expenses	-\$7,308.54
Consultancy Fees	\$11,292.73
Finance/Admin	-\$66,942.14
I.T	\$1,629.21
Marketing & Comm	\$6,795.57
Programs	-\$29,841.06
Rent & Overheads	\$35,135.77
Salaries	\$327,414.52
Sundry Expenses	\$8,631.75
Training & Development Staff	\$6,844.45
Transport Costs	\$3,045.84
Total Operating Expenses	\$296,698.10
<hr/>	
Net Profit	-\$24,149.96