

Prisoners' Aid Association of New South Wales Inc

ABN 25756574465

Special Purpose Financial Statements

Year Ending 30 June 2017

Prisoners' Aid Association of New South Wales Inc
Officers' report
30 June 2017

The officers present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2017.

Officers

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Tim Laporte
Margaret Anderson
Lauren Osbich
Shayne McKenzie (resigned 13 June 2017)
Frank Burke (appointed 24 January 2017)

Committee members

The following persons were committee members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ben Shields
Tanya Bains (appointed 4 October 2016; resigned 10 August 2017)
Gemma Taylor (appointed 21 October 2016; resigned 13 February 2017)
Juan Gomez (appointed 19 July 2017)
Marty Bowen (appointed 29 September 2017)

Objectives

The objective of the incorporated association is to provide quality services to both people held in NSW correctional centres and those returning to the community.
Provision of quality services will result in enhancing the opportunities for people returning to the community to not re-offend.

Strategy for achieving the objectives

The incorporated association currently provides property services under contract to Corrective Services NSW. We receive valuable support from the Ian Potter Foundation and Wests Leagues in providing training and work experience opportunities. We aim to increase the level of private and public sector support to ensure the viability of our Mates on the Move project.

Principal activities

During the financial year the Association conducted 2 principal activities:

Inmate Property Services – collection, storage and return of property for inmates held in New South Wales correctional centres.

Mates on the Move – A social enterprise providing people returning to the community with training, qualifications and work experience.

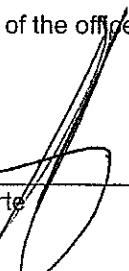
The fundraising activities of the incorporated association are critical to sustainability of our services.

Performance measures

The incorporated association measures its performance in terms of services provided to its client group and its ability to sustain and scale these services with the support of fundraising activities.

Prisoners' Aid Association of New South Wales Inc
Officers' report
30 June 2017

On behalf of the officers



Tim Laporte
President

19 November 2017
Sydney

Prisoners' Aid Association of New South Wales Inc

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General information

The financial statements cover the Prisoners Aid Association of New South Wales (Inc) as an individual entity. The financial statements are presented in Australian dollars, which is the Prisoners Aid Association of New South Wales (Inc) functional and presentation currency.

The Prisoners Aid Association of New South Wales (Inc) is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Silverwater Correctional Complex
Holker St
Silverwater 2118

Principal place of business

Silverwater Correctional Complex
Holker St
Silverwater 2118

A description of the nature of the incorporated association's operations and its principal activities are included in the officers' report, which is not part of the financial statements.

The financial statements were authorised for issue on 20 November 2017.

Prisoners' Aid Association of New South Wales Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	3	345,013	264,793
Expenses	4		
Inmate Property Service (Corrective Services NSW)		(131,177)	(92,605)
Metropolitan Inmate Pre Release Property Service (Corrective Services NSW)		(-)	(184,060)
Mates on the Move – Course and Business Expenses		(139,374)	(-)
Participant and General Client Assistance		(10,325)	(2,162)
Other expenses		(-)	(9,772)
		<hr/>	<hr/>
Surplus / (Deficit) before income tax expense		64,137	(23,806)
Income tax expense		<hr/> -	<hr/> -
Surplus / (Deficit) after income tax expense for the year		64,137	(23,806)
Other comprehensive income for the year, net of tax		<hr/> -	<hr/> -
Total comprehensive income for the year		<hr/> <u>64,137</u>	<hr/> <u>(23,806)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Prisoners' Aid Association of New South Wales Inc
Statement of financial position
As at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	5	263,554	358,876
Trade and other receivables	6	37,014	19,546
Other Assets		3,036	3,036
Total current assets		<u>303,604</u>	<u>381,458</u>
Non-current assets			
Investments IAG		7,019	7,019
Property, plant and equipment		12,539	16,359
Total non-current assets		<u>19,558</u>	<u>23,378</u>
Total assets		<u>323,162</u>	<u>404,836</u>
Liabilities			
Current liabilities			
Trade and other payables	7	24,609	18,032
Employee benefits		68,275	91,301
Other		(-)	129,361
Total current liabilities		<u>92,844</u>	<u>238,694</u>
Non-current liabilities			
Employee benefits		(-)	(-)
Total non-current liabilities		<u>(-)</u>	<u>(-)</u>
Total liabilities		<u>92,844</u>	<u>238,694</u>
Net assets		<u>230,279</u>	<u>166,142</u>
Equity			
Retained Earnings		<u>230,279</u>	<u>166,142</u>
Total equity		<u>230,279</u>	<u>166,142</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Prisoners' Aid Association of New South Wales Inc
Statement of changes in equity
For the year ended 30 June 2017

	Retained Earnings \$	Total equity \$
Balance at 1 July 2015	189,948	189,948
Surplus / (Deficit) after income tax expense for the year	(23,806)	(23,806)
Other comprehensive income for the year, net of tax	-	-
	<u>(23,806)</u>	<u>(23,806)</u>
Total comprehensive income for the year	<u>(23,806)</u>	<u>(23,806)</u>
Balance at 30 June 2016	<u>166,142</u>	<u>166,142</u>
	Retained Earnings \$	Total equity \$
Balance at 1 July 2016	166,142	166,142
Surplus / (Deficit) after income tax expense for the year	64,137	64,137
Other comprehensive income for the year, net of tax	-	-
	<u>64,137</u>	<u>64,137</u>
Total comprehensive income for the year	<u>64,137</u>	<u>64,137</u>
Balance at 30 June 2017	<u>230,279</u>	<u>230,279</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2017

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the officers' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Associations Incorporation Act 2009, the Charitable Fundraising Act 1991 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Pinnacle Incorporated Association Special Purpose.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Change in accounting policy

During the year the incorporated association changed its accounting policy in relation to the recognition of unvested sick leave provision and bequests received to ensure that its financial statements comply with Australian Accounting Standards. The impact to the financial statements for the year 30 June 2017 in relation to sick leave was a reduction in expenses of \$34,239 and a corresponding reduction in provision. The bequests received amounting to \$81,965 as at 30 June 2017, which do not carry any performance obligations were recognised as revenue with a corresponding decrease in provision. The effect of the change is an increase in total comprehensive income and retained earnings of \$116,204.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2017

Note 1. Significant accounting policies (continued)

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor vehicles	5-7 years
Office equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2017. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2017

Note 3. Revenue

	2017	2016
	\$	\$
<i>Sales revenue</i>		
Inmate Property Service (Corrective Services N.S.W)	169,905	72,257
Metropolitan Inmate Pre Release Property Service (Corrective Services N.S.W)	-	173,798
Mates on the Move	21,838	-
	<u>191,743</u>	<u>246,055</u>
<i>Other revenue</i>		
Bequests	86,966	-
Donations	13,550	16,599
Grants	50,000	-
Interest / Dividends / Other	2,754	2,139
	<u>153,270</u>	<u>18,738</u>
Revenue	<u><u>345,013</u></u>	<u><u>264,793</u></u>

Note 4. Expenses

	2017	2016
	\$	\$
Surplus / (Deficit) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	-	-
Freehold improvements	-	-
Plant and equipment	-	-
Motor vehicles	4,477	6,397
Office equipment	540	4,572
Total depreciation	<u>5,017</u>	<u>10,969</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>20,330</u>	<u>14,062</u>

Note 5. Current assets - cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	500	750
Cash at bank	263,054	358,126
Cash on deposit	-	-
	<u>263,554</u>	<u>358,876</u>

Prisoners' Aid Association of New South Wales Inc
Notes to the financial statements
30 June 2017

Note 6. Current assets - trade and other receivables

	2017	2016
	\$	\$
Other receivables	37,014	19,546
BAS receivable	-	-
	<u>37,014</u>	<u>19,546</u>

Note 7. Current liabilities - trade and other payables

	2017	2016
	\$	\$
Trade payables	23,920	17,343
BAS payable	-	-
Other payables	689	689
	<u>24,609</u>	<u>18,032</u>

Note 8. Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Note 9. Commitments

The incorporated association had no commitments for expenditure as at 30 June 2017 and 30 June 2016.

Note 10. Events after the reporting period

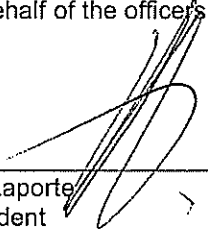
No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Prisoners' Aid Association of New South Wales Inc
Officers' declaration
30 June 2017

In the officers' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Associations Incorporation Act 2009, the Charitable Fundraising Act 1991 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers



Tim Laporte
President

19 November 2017
Sydney



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PRISONERS' AID ASSOCIATION OF NSW INC

Opinion

We have audited the financial report, being a special purpose financial report of Prisoners' Aid Association of New South Wales Inc (the 'Association'), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity for the year ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report is in accordance with the Associations Incorporations Act 2009 (NSW), including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, the Associations Incorporations Act 2009 (NSW) and Division 60 of the Australian Charities and Not-for-Profits Commission Regulations 2013.

Basis for opinion

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 the Association in accordance with the ethical requirements of the 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 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 for the purpose of fulfilling the directors' financial reporting responsibilities under the Associations Incorporations Act 2009 (NSW) and the Australian Charities and Not-for-profits Commission Act 2012 and the Association's rules of association. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the directors for the financial report

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporations Act 2009 (NSW) and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is 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.

In preparing the financial report, the directors are responsible for assessing the Association'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 the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PRISONERS AID ASSOCIATION OF NSW INC*****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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf This description forms part of our auditor's report.

Dated at Sydney on the 21st of November 2017

ESV Accounting and Business Advisors

Tim Valtwies
Partner

**DISCLAIMER OF ADDITIONAL FINANCIAL INFORMATION**

The additional financial data presented on the following page is in accordance with the books and records of Prisoners' Aid Association of New South Wales Inc (the "Association") which have been subjected to auditing procedures applied in the audit of the Association for the year ended 30 June 2017. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. The data is presented solely for the purpose of satisfying the information needs of grant authorities and it not to be used for any other purpose or to be distributed to any other party. Neither the firm nor any member of employee of the firm undertakes responsibility in any way whatsoever to any person other than the aforementioned company in respect of such data, including any errors or omissions therein, however caused.

Dated at Sydney the 21 day of November 2017

A handwritten signature in black ink, appearing to read 'ESV' with a checkmark-like flourish at the end.

ESV Accounting and Business Advisors

**Prisoners' Aid Association of New South Wales Inc
Supplementary Information**

Mates on the Move

	<u>16/17</u>	<u>15/16</u>
Course Income		
Interest	1,377	0
Donations	98,645	0
Total Course Income	100,022	0
Course Expenditure		
Support staff wages	77,133	0
Direct participant assistance	8,454	0
External Course Presenters	1,736	0
Functions	1,114	0
Other	0	0
Total Course Expenditure	88,437	0
Course Surplus / (Deficit)	11,585	0
Social Enterprise Income		
Fee for service	21,838	0
Ian Potter Foundation Grant	50,000	0
Total Social Enterprise Income	71,838	0
Social Enterprise Expenditure		
Management wages and employee entitlements	37,064	0
Graduate wages and superannuation	7,645	0
Workers Compensation	2,007	0
Staff Training	1,091	0
Truck Hire	4,420	0
General Insurance	1,200	0
Removalist Equipment	1,943	0
Telephone	1,172	0
Fuel and Travel	736	0
Printing and Stationery	615	0
Computer Software	351	0
Depreciation	236	0
Other	911	0
Total Social Enterprise Expenditure	59,391	0
Social Enterprise Surplus / Deficit	12,447	0
Mates on the Move Overall Surplus / (Deficit)	24,032	0

**Prisoners' Aid Association of New South Wales Inc
Supplementary Information**

Inmate Property Services

	<u>16/17</u>	<u>15/16</u>
Income		
Inmate Property Service (CSNSW)	169,905	72,257
Metropolitan Inmate Pre Release Property Service (CSNSW)	0	173,798
Interest	1,377	1,577
Donations and Subscriptions	0	16,600
Dividends	0	561
Total Property Services Income	171,282	264,793

Operational Expenses

Client Assistance	0	2,161
Depreciation	4,781	10,969
General Expenses	1,025	709
Computer Software	1,633	1,151
Website	36	570
Software set up	2,376	11,194
Software Annual Licence Fee	635	635
Cloud Services Fee	2,256	1,440
Shelving Relocation	737	0
Office Relocation	0	5,934
Insurance	2,535	3,650
Wages	108,779	143,245
Superannuation	10,779	14,062
Workers Compensation	2,175	3,377
Employee Provisions	(23,482)	12,273
Other Employment Expenses	0	36
Cleaning	0	3,562
Alarm/Security	0	519
Property Costs	846	798
Audit Fee	1,317	1,332
Rent	0	49,210
Electricity	0	1,395
Telephone/ Internet	1,371	4,576
General Office Supplies	909	1,121
Motor Vehicle	11,287	13,508
Subscriptions	1,182	1,172
Total Property Services Expenditure	131,177	288,599

Property Services Surplus / (Deficit)	40,105	(23,806)
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