

**Permanent
Care and
Adoptive
Families**



**Post Placement Support Service (Vic) Inc, trading
as Permanent Care & Adoptive Families**

ABN 50 562 164 576

Annual Report 30 June 2020

Permanent Care & Adoptive Families Contents
For the year ended 30 June 2020

	Page
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7
Directors' declaration	15
Independent auditor's report to the members of Permanent Care & Adoptive Families	16

**Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020**

	Note	2020 \$	Restated 2019* \$
Revenue			
Victorian government grant		358,266	287,676
OzChild recurring grant for flexifunding administration		100,371	116,260
OzChild non-recurring grant for flexifunding administration		304,884	-
Covid-19 cash boost		30,738	-
Covid-19 Job keeper grant		63,000	-
William Buckland grant for regional carer support		-	120,000
Other grants		-	5,074
Donations		208	134
Total grants and donations	3	857,466	529,144
Training revenue		3,818	5,358
Interest revenue calculated using the effective interest method on financial assets at amortised cost		5,826	10,949
Other		-	-
Total revenue		867,111	545,451
Expenses			
Accounting fees		(15,824)	-
Audit fees		(6,000)	(3,000)
Bank and credit card charges		(279)	(301)
Board/governance expenses		(6,620)	(2,046)
Computer and IT related expenses		(19,313)	(13,767)
Consulting costs		(64,474)	(9,933)
Depreciation expense - plant and equipment		(11,507)	(2,315)
Employee benefits - salaries		(443,132)	(374,386)
Employee benefits - superannuation defined contributions		(40,164)	(34,455)
Employee EAP, training and development		(1,500)	(1,468)
Equipment hire		(1,281)	-
Events and fundraising expenses		(3,915)	(7,739)
Flexifund infrastructure expenses		(10,036)	-
Insurance		(12,530)	(10,147)
Meeting expenses		(412)	(1,189)
Membership fees		(2,825)	(513)
Office expenses		(3,127)	(472)
Phone, fax & internet		(4,722)	(4,224)
Post, Freight & Courier		(929)	(1,534)
Publications & Information Resources		(323)	(3,744)
Recruitment Expense		(19,351)	-
Rent & Outgoings		(25,911)	(60,000)
Regional peer support meeting costs		(3,139)	(9,279)
Volunteer costs		(1,575)	(1,451)
Other expenses		-	(1,428)
Total expenses		(698,888)	(543,392)
Surplus for the year		168,222	2,060

The above Statement of profit or loss and other comprehensive income should be read in conjunction with
• see Note 2.3 for details of restatements

Statement of financial position
As at 30 June 2020

	Note	2020 \$	Restated 2019* \$
Assets			
Current assets			
Cash on hand		35	200
Cash at bank		286,948	279,515
<hr/>			
Total Cash and cash equivalents - at amortised cost	2.3	286,983	279,715
Trade receivables - at amortised cost		1,146	1,480
Other receivables - at amortised cost		31,282	2,261
Short term deposits - at amortised cost	2.3	250,000	170,000
Prepayments		3,232	-
<hr/>			
Total financial assets at amortised cost and Total current assets		572,643	453,456
<hr/>			
Non-current assets			
Plant and equipment - at cost		37,734	11,123
Less: P&E Accumulated depreciation		(17,420)	-5,914
Plant and equipment - net		20,314	5,209
<hr/>			
Total non-current assets		20,314	5,209
<hr/>			
Total assets		592,957	458,665
<hr/>			
Liabilities			
Current liabilities			
Trade payables - at amortised cost		23,393	-
Other payables - at amortised cost		9,058	17,994
Unspent Grants - at amortised cost	2.3, 3.1	15,455	59,000
<hr/>			
Total financial liabilities at amortised cost		47,906	76,994
Employee benefits		29,076	33,919
Total current liabilities		76,982	110,913
<hr/>			
Total liabilities		76,982	110,913
<hr/>			
Net assets		5 5,975	347,752
<hr/>			
Equity			
General Reserve	10	-	207,000
Retained surpluses		515,974	140,752
<hr/>			
Total equity		5 5,974	347,752
<hr/>			

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

* see Note 2.3 for details of restatement

**Statement of changes in equity
For the year ended 30 June 2020**

	Note	Restated General Reserve*	Retained profits	Restated Total equity*
		\$	\$	\$
Balance at 1 July 2018		207,000	138,692	345,692
Surplus for the year			2,060	2,060
Transfers to/(from)		-		-
Balance at 30 June 2019		207,000	140,752	347,752
Balance at 1 July 2019		266,000	140,752	406,752
Restatement of prior year general reserve	2.3	-59,000	-	-59,000
Restated opening balance		207,000	140,752	347,752
Surplus for the year			168,222	168,222
Transfers to/(from)		-207,000	207,000	-
Balance at 30 June 2020		-	515,974	515,974

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

* See Note 2.3 for details of restatement

Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	Restated 2019* \$
Cash flows from operating activities			
Grants and funding		720,518	574,886
Interest received		5,826	10,949
Other revenue		68,535	5,492
Payments to suppliers and employees (inclusive of GST)		(680,999)	(529,123)
Net cash from/(used in) operating activities	12	<u>113,879</u>	<u>62,204</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(26,611)	(1,312)
Redemption/(Increases) of term deposits	2.3	(80,000)	50,000
Net cash used in investing activities		<u>(106,611)</u>	<u>48,688</u>
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		7,268	110,892
Cash and cash equivalents at the beginning of the financial year	2.3	<u>279,715</u>	<u>168,823</u>
Cash and cash equivalents at the end of the financial year		<u>286,983</u>	<u>279,715</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

* see Note 2.3 for details of restatement

Notes to the financial statements

For the year ended 30 June 2020

Note 1: Basis of preparation

Post Placement Support Service (Vic) Inc, trading as Permanent Care & Adoptive Families (PCA Families) is a medium sized registered charity with the Australian Charities and Not-for-profit Commission, and a Tier 2 incorporated association registered and domiciled in Victoria, Australia. It's registered office and principal place of business is at Level 1, 398 Smith Street, Collingwood, Victoria, Australia 3066.

1.1 PCA Families' purpose, nature of operations and activities

Permanent care, kinship care and adoptive families have committed to helping their children thrive and we are committed to helping them do it.

As the go to organisation for the community, PCA Families delivers peer support, therapeutic programs and advocacy informed by strong lived experience and research.

PCA Families is a member based organisation, using government and other grants to provide its services.

PCA Families' principal activities are advocating on behalf of members to government, providing a support helpline and peer support programs and administering delivery of the Department of Health and Human Services Victoria's flexible funding scheme to eligible permanent carers, children under Family Law Court Orders and special needs adoption families.

1.2 General purpose financial statements - Tier 2 Simplified disclosures

PCA Families' general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board, the Victorian Associations Incorporation Reform Act 2012, and the Australian Charities and Not-for-profit Commission Act 2012. PCA Families is a not-for-profit individual entity for the purpose of preparing financial statements.

1.3 Accruals and historical cost basis

The financial statements have been prepared on an accruals and historical cost basis, and do not take into account changing money values, except where specifically stated.

1.4 Australian dollar and Rounding of amounts

Amounts in the financial statements have been rounded to the nearest Australian \$.

1.5 Date of authorisation

The financial statements were authorised for issue on 30/11/2020 by the Board of Directors.

1.6 Going concern, economic dependency and impact of Covid-19

PCA Families has adequate cash reserves to continue in operation for the period of twelve months after the date of signing the financial statements and pay its debts as and when they fall due. Given the majority of PCA Families' funding is sourced from the Victorian government, the long term impact of COVID-19 for PCA Families is still to be determined as this will depend on future Victorian government budgets and PCA Families' ability to obtain additional funding sources. As at the date of signing these financial statements, PCA Families has not been advised by the Victorian government of any intention to change the current recurring funding arrangements. Subsequent to 30 June 2020, the Victorian Government has announced further COVID-19 funding that PCA Families appears eligible for, however we are still waiting for this to be quantified.

Note 2: Significant changes in accounting policies

2.1. Early adoption of AASB 1060 Tier 2 Simplified disclosures

PCA Families has early adopted AASB 1060 'General Purpose Financial Statements - Simplified Disclosure for For-Profit and Not-for-profit Tier 2 entities' for the year ending 30 June 2020. Previously PCA Families prepared special purpose financial statements prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of 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 of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit entities.

As PCA Families had been complying with the recognition and measurement requirements of AAS with the exception of 2 issues discussed in Note 2.3, the requirements of AASB 1 have not been applied, and there were no adjustments to equity or surplus at either 1 July 2018, the opening comparative period or 1 July 2019, the date of transition, as a result of changing to general purpose financial statements, other than for the additional disclosures required, particularly for related parties.

2.2 New accounting standards effective for 30 June 2020

The new accounting standards effective for 30 June 2020 applicable to PCA Families are:

- AASB 1015 'Revenue from Contracts with Customers'
- AASB 1058 'Income for Not-for-profit Entities'
- AASB 16 'Leases'

AASB 1015 and AASB 1058 set out new revenue recognition requirements. Where grants are received that include performance obligations, or there are contracts with customers to deliver services or goods, AASB 15 applies and revenue is not recognised until the performance obligation is satisfied, either at a point in time, or progressively over time. Where grants have no performance obligations, AASB 1058 applies and revenue is recognised immediately it is controlled, unless there is a liability, and revenue is deferred until the liability is extinguished. Due to the nature of the grants received, as set out in detail in Note 3.1, there is no impact from the new standards in either the current or prior periods. Grants with performance obligations are measured on a daily basis, and funding is provided monthly, as an even distribution of the annual grant, so the outcome is the same as recognising when the funds are received. Grants with no performance obligations were already recognised when controlled. However, an error in 2019 was detected and corrected as set out in Note 2.3

AASB 1016 sets out new lease requirements, effectively treating all leases as finance leases, unless they are short term (less than one year) or low value (less than \$5,000 right of use asset), by capitalising both the right of use asset and the associated liability.

PCA Families has elected to adopt AASB 1016 effective from 1 July 2019 and to not restate comparatives. As the premise lease at 1 July 2019 had a remaining term of less than 12 months, PCA Families has elected to treat this as a short-term lease.

As PCA Families' premise lease commencing in 2019 is for a period of less than 12 months and photocopier leases are less than \$5,000 per annum there is no impact from adopting AASB 16 in either the current or prior periods. The lease payments for these leases, together with the prior premise lease are spread over the term of the lease. Note 4 has further details.

2.3 Restatement of prior period numbers

PCA Families has determined that for the period ending 30 June 2019 the following restatements are necessary:

- unspent grant monies of \$59,000 were recognised directly in the General Reserve rather than as Unspent grant liability.
- term deposits of \$170,000 at 30 June 2019 (\$220,000 at 1 July 2018) with more than 3 months maturity were recognised as Cash and cash equivalents rather than as other investments and investing cash flows in the Statement of Cash Flows

The impact of the restatements on the prior period are as follows:

	2019	Grant restated	Cash restated	Restated 2019
	\$		\$	\$
Statement of financial position and statement of changes in equity				
Unspent grant monies (other)	-	59,000		59,000
Total current liabilities	51,913	59,000		110,913
Total liabilities	51,913	59,000		110,913
General reserve	266,000	(59,000)		207,000
Total equity	406,752	(59,000)		347,752
Cash and cash equivalents	449,715		(170,000)	279,715
Short term deposits	-		170,000	170,000
Transfers to general reserve	59,000	(59,000)		-
Statement of cash flows				
Redemptions from term deposits	-		50,000	50,000
Cash flows from investing activities	(1,312)		50,000	48,688
Net increase/decrease in cash and cash equivalents	60,892		50,000	110,892
Cash and cash equivalents at the beginning of the prior period	388,823		(220,000)	168,823

In addition to the above restatements, PCA Families has also restated its Statement of financial performance and Statement of financial position line items to include more line items and to use nature of expense disclosures rather than function disclosures. The new disclosures provide further breakdowns of the numbers reported in prior years, and it is impractical to reconcile the nature and function analysis for the year ended 30 June 2019.

2.4 New or amended Accounting Standards and interpretations not yet effective

PCA Families 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, with the exception of AASB 1060 as noted in 2.1, have not been early adopted and their impact has not yet been assessed.

Note 3: 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.

3.1 Revenue recognition

PCA Families recognises revenue as follows:

Government grants

Revenue from government grants is recognised at the fair value of the consideration received when the grant is controlled, unless there is a performance obligation, or a liability to return the funds. Where there is a performance obligation, revenue is recognised as performance occurs, either over time or at a point in time. Where there is a liability, revenue is recognised when the liability is extinguished. The accounting policies for each of PCA Families' key grants sourced from the Victorian government are set out below:

Victorian government grant

PCA Families receives an annual Victorian government grant which requires PCA Families to identify and count the number of flexifunding packages provided to eligible permanent carers, children under Family Law Court Orders and special needs adoption families under the Flexible funding for existing permanent care placements - service provider guidelines. The service agreement is for the period 1 July 2019 to 30 June 2024; however, funding amounts are only provided for the years ending 30 June 2020 and 2021. The funds are received in advance in monthly instalments. As the flexifunding packages are provided daily, the performance obligation to identify and count the packages occurs daily, and revenue is therefore recognised evenly on a daily basis throughout the year. These funds are used to operate PCA Families helpline services. In the event that not all funds are spent by reporting date, the Department of Health and Human Services Victoria (DHHS) has a right to recall the funds during the six months following reporting date. Accordingly, an Unspent grants liability is recognised for any unspent funds at reporting date, until the six month period has expired. Such liabilities are therefore classified as current liabilities.

DHHS may cease providing recurrent funding with three months' notice if government policy or budget considerations change.

OzChild grant - administration of Victorian government flexible funding packages

The Victorian government provides a recurring \$1 million flexible funding scheme for eligible permanent carers, children under Family Law Court Orders and special needs adoption families. DHHS has a service agreement with Children Australia Inc (trading as OzChild). Under a Memorandum of Understanding between OzChild and PCA Families, OzChild outsources the administration of the approval and payment of the applications to PCA Families, with oversight from the other "Permanent Care Alliance" partners of Foster Care Association Victoria, Kinship Care Victoria, Victorian Aboriginal Child Care Agency, the Mirabel Foundation and CREATE. For the year ending 30 June 2020, an additional \$2 million non-recurring flexible funding was advised. An additional \$300,000 Covid-19 supplement was also provided for the period May-October 2020; however, funding had not commenced by 30 June 2020 and is not considered controlled at this time. DHHS has agreed the percentages of the funding that applies to PCA Families for administering the program as follows:

- recurring \$1 million 9.27%
- non-recurring \$2 million 15.24%
- non-recurring \$300,000 15.24%

As there are no performance obligations attached to the service agreement between OzChild and PCA Families, revenue is recognised when controlled, which is when the monies are received monthly from OzChild. The MOU does not require unspent funds to be returned to OzChild.

PCA Families acts as an agent of DHHS when distributing the flexifunding packages payments to recipients, and accordingly, no revenues or expenses are recognised in relation to the packages distributed.

Commonwealth Covid-19 jobkeeper subsidy

PCA Families utilised the Commonwealth Covid-19 jobkeeper subsidy for three employees from 8 May 2020 to 30 June 2020. The subsidy requires PCA Families to continue paying wages, and revenue is recognised when the wages for eligible employees are payable.

Commonwealth Covid-19 cash boost

PCA Families utilised the Commonwealth Covid-19 cash boost subsidy. The subsidy is recognised when cash is received.

Other grants and donations

Revenue from philanthropic grants is recognised at the fair value of the consideration received when the grant is controlled, unless there is a performance obligation, or a liability to return the funds. Where there is a performance obligation revenue is recognised as performance occurs. The accounting policies for each of PCA Families' key non-government grants and donations are set out below:

William Buckland Foundation grant

PCA Families received funding of \$360,000 for the 3 years ending 30 June 2019 to deliver to country and regional Victoria peer support for permanent carers and adoptive families with up to 5 meetings per year each year, connecting with 85 parents, children and young people each year, therapeutic sessions, training sessions and workshops and phone and on-line support. Payments were made annually. As the meeting targets are performance obligations, revenue is recognised progressively as these targets are met. As the targets were the same for each of the three years, and were met, revenue was recognised evenly over the three year period of the grant.

Donations

Donations have no performance obligations and are recognised at fair value when received

Providing services

Revenue from providing training is recognised at fair value upon delivery of the training. PCA Families membership is free.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established and any performance obligation is satisfied.

Volunteer services

PCA Families uses volunteer services comprising 9 board members and 7 volunteers who facilitate journal club meetings and act as board committee advisors. If these services were not provided by volunteers they would not be provided.

3.2. Financial assets and financial liabilities

Financial assets are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. PCA Families holds the financial assets with the objective of collecting the contractual cash flows and therefore measures them at amortised cost, using the effective interest rate, less any allowance for expected credit losses. They comprise Trade and other receivables, Cash and cash equivalents and Short term deposits. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each.

Financial liabilities are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost and comprise trade and other payables, and grants received in advance.

Collectability of trade and other receivables is reviewed on an ongoing basis. PCA Families applies the AASB 9 'Financial Instruments' simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all receivables. The expected loss rates are based on historical loss rates over the past 36 months, adjusted for current and forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables, such as Covid-19.

There are no related party receivables or payables.

PCA Families has no significant credit, market or interest rate risks from its financial assets and liabilities. Cash and term deposits are held with reputable financial institutions and the maximum amount invested with any one entity is limited to \$250,000 to remain under the Government guarantee cap.

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and therefore classified as current. Other receivables comprise GST receivables and government subsidy receivables.

There are no related party receivables.

Trade and other payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition and therefore recognised as current liabilities.

There are no related party payables.

3.3. 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 plant and equipment over their expected useful lives of 3 years.

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

3.4. 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.

3.5. Taxes

Income tax

PCA Families is exempt from tax under Division 50 of the Income Tax Assessment Act 1997. PCA Families has Deductible Gift Recipient (DGR) status.

Goods and services tax (GST)

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.

3.6. 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.

Revenue recognition

Determining the appropriate revenue recognition requirements involves assessing whether contracts have enforceable performance obligations and if so, how to determine when those performance obligations are satisfied to enable revenue recognition. Note 3.1 sets out more details.

Note 4: Leases

	2020	2019
PCA Families currently leases its premises. The terms of the lease are:	\$	\$
- 1 October 2019 to 30 June 2020		
- \$900 per month, if renewed increase of 3% in September each year		
- no cancellation terms		

As the term of the lease is less than 12 months, and it is not reasonably certain that PCAF Families will extend the lease beyond 12 months, PCAF has elected to account for this lease as a short term lease. Rental expense is recognised on a straight line basis over the term of the lease.

PCA Families' prior premise lease completed on 30 September 2019 and was for \$5,000 per month, including rent, outgoings, accounts assistance, stationery and amenities.

PCA Families has a low value lease of a photocopier, which is for a minimum of 5 years from 29 September 2019 for \$125 per month. Accordingly, rental expense is recognised on a straight line basis over the term of the lease.

Total undiscounted lease commitments are:

1 year	1,500	5,000
2-5 years	5,250	
	<u>6,750</u>	<u>5,000</u>

Note 5: Related party disclosures

PCA Families' related parties comprise its key management personnel who have authority and responsibility for planning, directing and controlling its activities.

Our key management personnel are the directors and Chief Executive Officer (CEO):

	Number of terms	Appointment date	Term ended
Directors			
Meredith Carter (President)	2	17/10/2016	
Donna Coelho (Vice President)	2	17/10/2016	
Roslyn Rule (Treasurer)	1	24/10/2018	
Chris Lockwood (Secretary)	3	6/11/2013	
Dan Barron	3	6/11/2013	
Jennifer Botha			24/10/2019
Alba Chliakhtine	1	24/10/2018	
Naomi Colville	1	24/10/2019	
John Loke			24/10/2019
Kris Peach	1	24/10/2019	
Sara Witty	1	24/10/2019	
CEO			
Brenda Carmen			10/11/2019
Lisa Milani		17/03/2020	

	2020	2019
	\$	\$
Total key management personnel remuneration	<u>62,435</u>	<u>109,807</u>

Note 6: Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the PCA Families' operations, the results of those operations, or the state of affairs in future financial years, other than the commencement of the Covid-19 additional flexifunding administration monies referred to in Note 3.1.

Board of Directors' Declaration

In the directors' opinion:

1. the attached financial statements and notes of Post Placement Support Service (Vic) Inc, trading as Permanent Care & Adoptive Families (PCA Families), as set out on pages 3 to 15 are in accordance with the Victorian Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012 including:

a) giving a true and fair view of the registered charity's financial position as at 30 June 2020 and performance for the financial year ended on that date: and

b) complying with the Australian Accounting Standards - Simplified Disclosures, the Victorian Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012;

2. there are reasonable grounds to believe that the registered charity will be able to pay all of its debts as and when they become due and payable.

On behalf of the directors, signed in accordance with a resolution of the Board of Directors made pursuant to subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

President: Meredith Carter



Treasurer: Roslyn Rule



Dated this 30th day of November, 2020

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report

We have audited the financial report of Post Placement Support Service (Vic) Inc, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entity' declaration.

In our opinion the financial report of Post Placement Support Service (Vic) Inc has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, and *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board as disclosed in Note 1.

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 registered entity in accordance with the *Associations Incorporation Reform Act 2012*, and *Australian Charities and Not-for-profit 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 opinion.

Responsibility of the Responsible Entity for the Financial Report

The responsible entity of the registered entity is 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 Incorporation Reform Act 2012*, and *Australian Charities and Not-for-profit Commission Act 2012* and the needs of the members. The responsible entity's responsibility also includes such internal control as the responsible entity 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 responsible entity is responsible for assessing the registered entity'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 responsible entity either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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 the 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/Home.aspx>. This description forms part of our auditor's report.



George Georgiou FCA

Registered Company Auditor

ASIC Registration: 10310

Melbourne, Victoria

Date: 30 November 2020