

Permanent
Care and
Adoptive
Families



Permanent Care and Adoptive Families Inc.

ABN 50 562 164 576

Financial Statements

For the Year Ended 30 June 2024

Permanent Care and Adoptive Families Inc.

ABN 50 562 164 576

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For the Year Ended 30 June 2024

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Auditor's Independence Declaration to the Board of Permanent Care and Adoptive Families Inc.

In accordance with the requirement of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Permanent Care and Adoptive Families Inc. for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Audit Australia
CROWE AUDIT AUSTRALIA



Tafadzwa Mudarikwa
Associate Partner
Brisbane
19 September 2024

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Permanent Care and Adoptive Families Inc.

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

	2024	2023
	\$	\$
Revenue		
Grants - Department of Families, Fairness & Housing (recurring)	665,540	650,333
Grants - Department of Families, Fairness & Housing (non-recurring)	94,904	90,000
Grants - OzChild Flexifunding Administration (recurring)	503,609	487,181
Other State Government Revenue	37,287	-
Other Government Grants	17,500	-
Other Non-government Grants	11,800	-
Training Income	318	12,336
Gift Income	1,934	1,947
Interest	16,788	4,884
Total Revenue	1,349,680	1,246,681
Expenses		
Audit Fees	(6,830)	(5,082)
Accounting Fees	(33,060)	(31,750)
Board/Governance Expenses	(13,430)	(19,750)
Bank and Credit Card Charges	(336)	(407)
Carer Assistance Program Expenses	(79,087)	(60,000)
Computer and IT Related Expenses	(113,749)	(58,204)
Consulting Costs	-	(6,533)
Depreciation Expense - Plant and Equipment	(8,265)	(10,035)
Depreciation Expense - Right of Use Asset	(32,630)	(13,596)
Employee Benefits - Salaries	(824,265)	(878,117)
Employee Benefits - Superannuation Defined Contributions	(86,497)	(86,760)
Employee Assistance Program, Training and Development	(22,156)	(17,253)
Equipment Hire	(1,500)	(1,500)
Events and Fundraising Expenses	(120)	-
Grant Expense - Specified Project Costs	(26,361)	-
Insurance	(28,497)	(20,499)
Interest Expense - Lease Liabilities	(3,881)	(2,021)
Subscriptions	(3,169)	(3,004)
Office Expenses	(14,106)	(11,168)
Phone, Fax & Internet	(11,660)	(9,356)
Post, Freight & Courier	(1,044)	(8,647)
Recruitment Expense	(2,365)	(17,236)
Rent and Outgoings	(5,199)	(17,437)
Peer Support Costs	(18,439)	(2,615)
Volunteer Costs	(1,076)	(295)
Total Expenses	(1,337,722)	(1,281,265)
Profit/ (Loss) for the Year	11,958	(34,584)
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	11,958	(34,584)

The accompanying notes form part of these financial statements.

Permanent Care and Adoptive Families Inc.

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Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	242,554	241,256
Trade and Other Receivables		12,076	13,860
Other Financial Assets	5	512,402	502,283
Prepayments		21,039	15,378
TOTAL CURRENT ASSETS		788,071	772,777
NON-CURRENT ASSETS			
Plant and Equipment		17,615	21,212
Right-of-Use Asset		51,665	84,295
TOTAL NON-CURRENT ASSETS		69,280	105,507
TOTAL ASSETS		857,351	878,284
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	83,169	89,009
Lease Liability	6	33,393	30,544
Employee Benefits		79,171	75,678
TOTAL CURRENT LIABILITIES		195,733	195,231
NON-CURRENT LIABILITIES			
Lease Liability	6	30,309	63,702
TOTAL NON-CURRENT LIABILITIES		30,309	63,702
TOTAL LIABILITIES		226,042	258,933
NET ASSETS		631,309	619,351
EQUITY			
Retained Earnings		631,309	619,351
TOTAL EQUITY		631,309	619,351

The accompanying notes form part of these financial statements.

Permanent Care and Adoptive Families Inc.

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Statement of Changes in Equity
For the Year Ended 30 June 2024

2024

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2023	619,351	619,351
Surplus for the year	11,958	11,958
Balance at 30 June 2024	631,309	631,309

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	653,935	653,935
Loss for the year	(34,584)	(34,584)
Balance at 30 June 2023	619,351	619,351

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grants and Funding	1,328,697	1,152,236
Interest Received	16,788	4,884
Other Revenue	318	6,103
Payments to Suppliers and Employees	(1,295,293)	(1,186,141)
Net cash provided by/(used in) operating activities	50,510	(22,918)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for Plant and Equipment	(4,668)	(18,543)
Redemption/(Increases) of Short-term Deposits	(10,119)	(724)
Net cash used in investing activities	(14,787)	(19,267)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Lease Liability	(34,425)	(6,417)
Net cash used in financing activities	(34,425)	(6,417)
Net increase/(decrease) in cash and cash equivalents held	1,298	(48,602)
Cash and cash equivalents at beginning of year	241,256	289,858
Cash and cash equivalents at end of financial year	4 242,554	241,256

The accompanying notes form part of these financial statements.

Permanent Care and Adoptive Families Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

The financial report covers Permanent Care and Adoptive Families Inc. as an individual entity. Permanent Care and Adoptive Families Inc. is a not-for-profit Association, registered and domiciled in Australia. It's registered office and principal place of business is at Level 1, Suite 6, 69-71 Rosstown Road, Carnegie VIC 3163.

Permanent Care and Adoptive Families Inc. is a medium sized registered charity with the Australian Charities and Not-for-profit Commission, and a Tier 3 incorporated association.

Permanent Care and Adoptive Families Inc.'s purpose, nature of operations and activities follow:

Our vision: Every child who cannot live permanently with their birth parents thrives in a strong, stable, and permanent family.

Our purpose: We empower families to provide stable culturally relevant permanent homes for children and young people who cannot live with their birth families.

Our mission: We advocate on behalf of and deliver peer support and other trauma informed services for permanent care, kinship care and adoptive families. We inform, upskill and empower our parents/carers to advocate strategically for the services and support their children and our communities need. Our independent support is trusted by our families and often critical to their success.

Our strategic intent is to:

- Aspire to achieve the highest quality in all our work and focus on delivering meaningful outcomes to the people that we serve.
- Work to reduce inequities and ensure that all children regardless of their order receive the support they need.
- Address what needs to be done to create a service system that works for the people we serve.
- Listen to the voices of those with lived experience and embed lived experience into all that we do.
- Transform and strengthen the way we work and the value that we deliver to the people we serve.

Permanent Care and Adoptive Families Inc.'s principal activities are providing a helpline and peer support programs, assisting OzChild to deliver the Department of Fairness, Families and Housing Victoria's Flexible Funding scheme to eligible permanent carers, children under Family Law Court Orders and special needs adoption families, and advocating on behalf of members to government. As a peak body, we work alongside people with lived experience to provide Peer Support and advocate to government and influence policy and sector development. PCA Families also has an Memorandum of Understanding with the Foster Care Association of Victoria (FCAV) to provide the Carer Assistance Program (CAP - counselling service). Both organisations receive funding directly from DFFH to jointly administer the program.

The functional and presentation currency of Permanent Care and Adoptive Families Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

Permanent Care and Adoptive Families Inc.'s 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.

Permanent Care and Adoptive Families Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2024

1 Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Government grants

Revenue is recognised in accordance with AASB 15 *Revenue from contracts with customers* or in line with AASB 1058 *Income of Not-for-Profit entities*. 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 the key grants of the Association are set out below:

The Victorian Department of Fairness, Families and Housing (DFFH) provides recurring funds via a service agreement with PCA Families from 1 July 2019 to 30 June 2024 to administer:

- a helpline service to provide information, advocacy, support and referral to eligible permanent carers, children under Family Law Court Orders and special needs adoption families, with a performance obligation to identify and count the number of flexible funding packages provided
- an intake and access service for Young People on permanent care orders for the Better Futures Program with a performance obligation based on a specified number of cases and service hours.

The funds are received in advance in monthly instalments. In the event that not all funds are spent by reporting date, DFFH has a right to recall the funds during the subsequent six months. In such circumstances an Unspent grants liability is recognised until the six month period has expired. Such liabilities are classified as current liabilities.

DFFH also provides recurring funding via a service agreement with Children Australia Inc (trading as OzChild)

Permanent Care and Adoptive Families Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(a) Revenue and other income

Specific revenue streams

to administer its Flexible Funding packages from 1 July 2019 to 30 June 2024. OzChild sub-contracts to PCA Families the processing and approval of the Flexible Funding applications, under a Memorandum of Understanding. DFFH has agreed the percentages of the funding that applies to PCA Families for administering the program and as there is no performance obligations in the MOU, revenue is recognised as the administration funds are received. PCA Families acts as an agent of DFFH when distributing the flexifunding packages payments to recipients, and accordingly does not recognise these as revenue.

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.

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

Providing services

Permanent Care and Adoptive Families Inc.'s 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

Permanent Care and Adoptive Families Inc. uses volunteer services comprising of 10 (2023: 9) Board Members and 5 (2023:5) Volunteers who facilitate Peer Support Activities

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service

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Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition
to the customer, the Association presents the contract as a contract liability.

(b) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The Association has Deductible Gift Recipient (DGR) status.

(c) 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.

(d) 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 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 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.

(e) 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.

(f) 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. Permanent Care and Adoptive Families Inc. 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(f) Financial assets and financial liabilities

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 unspent grant liabilities.

Collectability of trade and other receivables is reviewed on an ongoing basis. Permanent Care and Adoptive Families Inc. 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.

Permanent Care and Adoptive Families Inc. 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 generally limited to \$250,000 to remain under the Government guarantee cap.

(g) 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 is comprise of GST receivables, interest and government subsidy receivables. There are no related party receivables.

(h) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(i) Leases

At inception of a contract, the Association assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred. At the lease commencement, right-of-use asset and associated lease liability for the lease term is recognised. The lease term includes extension periods where it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Permanent Care and Adoptive Families Inc.'s incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

Permanent Care and Adoptive Families Inc. has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(j) 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.

(k) 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.

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Notes to the Financial Statements For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(k) Employee benefits

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.

The Association has accrued long service leave for the period before the Portable Long Service Benefits Scheme took over.

3 Critical Accounting Estimates and Judgments

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 significant estimates and judgements made have been described below.

Key estimates - grant income

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the Association, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the Association have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

Key estimates - provisions

As described in the accounting policies, leave provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank	242,554	241,256
	<u>242,554</u>	<u>241,256</u>

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Notes to the Financial Statements For the Year Ended 30 June 2024

5 Other financial assets

	2024	2023
	\$	\$
Short-term deposits	512,402	502,283
	<u>512,402</u>	<u>502,283</u>

6 Leases

Association as a lessee

Permanent Care and Adoptive Families Inc. has a lease over the office at address Level 1, Suite 6, 69-71 Rosstown Road, Carnegie VIC 3163 from February 2023. The lease term is assessed as 3 years and there is a CPI increase in the lease payments for the life of the lease.

Right-of-use assets

	2024	2023
	\$	\$
Office Space		
Balance at beginning of the year	84,295	-
Additions to right-of-use assets	-	97,891
Depreciation charge	(32,640)	(13,596)
Balance at end of year	<u>51,655</u>	<u>84,295</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$
2024				
Lease liabilities	35,458	31,041	66,499	63,702
2023				
Lease liabilities	34,425	66,499	100,924	94,246

7 Trade and Other Payables

	2024	2023
	\$	\$
Trade payables	41,759	39,881
GST payable	15,971	21,406
Accrued expense	6,830	11,533
PAYG and super guarantee payable	18,609	16,189
	<u>83,169</u>	<u>89,009</u>

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Notes to the Financial Statements For the Year Ended 30 June 2024

8 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is \$ 90,881 (2023: \$ 95,583).

9 Auditors' Remuneration

	2024	2023
	\$	\$
Audit of financials	6,830	5,082
	<u>6,830</u>	<u>5,082</u>

10 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2024 (30 June 2023:None).

11 Related Parties

(a) **The Association's related parties are as follows:**

The Association's 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). The remuneration paid to key management personnel is disclosed in Note 10.

	Number of terms	Appointment Date	Term Ended
Directors			
Meredith Carter (Chair to 13/12/2021)	2	17/10/2016	08/11/2023
Naomi Colville (Acting Chair 18/11/2021 – 13/12/2021, Appointed Chair 13/12/2021)	2	24/10/2019	
Chris Lockwood (Secretary to 1/2/2022, Appointed Deputy Chair 13/12/2021)	3	06/11/2013	
Dan Barron	3	6/11/2013	08/11/2023
Judy Gouldbourn	2	21/10/2020	
Kris Peach (Secretary from 1/2/2022)	1	24/10/2019	
Patricia Vaz	1	16/9/2022	04/09/2023
David Arndt	1	15/9/2022	25/3/2024
Kellie Burns	1	2/11/2022	
Lynette Landy	1	8/11/2024	
Tracy McKay		5/4/2024	
CEO			
Wendy Mason		12/9/2022	

*The number of terms is from start of new constitution dated 24/2/2021.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

12 Events After the End of the Reporting Period

From 1 July 2024, the Carer Assistance Program funding received by PCA Families of \$94,904 will be transferred to Foster Care Association Victoria along with the associated expenses of \$79,087.

From 1 December 2024, the administration of the Flexible Funding program will be fully transferred to PCA Families, with Ozchild no longer being involved. The additional recurring administration fee is expected to be \$215,820 plus CPI per annum.

Aside from the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

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Directors' Declaration

In the directors' opinion:

1. The attached financial statements and notes of Permanent Care & Adoptive Families Inc. are in accordance with the Victorian Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012 including:
 - Giving a true and fair view of the registered charity's financial position as at 30 June 2024 and performance for the financial year ended on that date; and
 - 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 entity is able to pay all of its debts, as and when they become due and payable; and

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 2022.



Responsible person



Responsible person

Dated 19 September 2024

Independent Auditor's Report to the Board of Permanent Care and Adoptive Families Inc.

Opinion

We have audited the financial report of Permanent Care and Adoptive Families Inc. (the Association), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Board's declaration.

In our opinion, the financial report of the Association has been prepared in accordance with *Victorian Associations Incorporation Reform Act 2012* and the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2024 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not for profits Commission Regulations 2022*.

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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 financial reporting requirements under the *Victorian Associations Incorporation Reform Act 2012* 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.

Responsibilities of the Board for the Financial Report

The Board of the Association 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 *Victorian Associations Incorporation Reform Act 2012* and *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The Board's responsibility also includes such internal control as determined is necessary to enable the preparation of the 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 Board is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Board of Permanent Care and Adoptive Families Inc. (cont.)

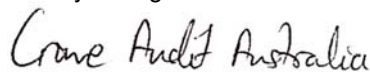
Auditor's Responsibilities for the Audit of the Financial Report

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.

As part of an audit in accordance with the 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's 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 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 the auditor's report. However, future events or conditions may cause the 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 the audit.



CROWE AUDIT AUSTRALIA



Tafadzwa Mudarikwa
Associate Partner
Brisbane
19 September 2024