Permanent Care & Adoptive Families

ABN 50 562 164 576

Annual Report - 30 June 2019

Permanent Care & Adoptive Families
Directors' report
30 June 2019

The Board of Directors present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2019.

On behalf of the committee

MEREDITH CARTER
PRESIDENT.

Date 5 August 2019

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General information

The financial statements cover Permanent Care & Adoptive Families as an individual entity. The financial statements are presented in Australian dollars, which is Permanent Care & Adoptive Families' functional and presentation currency.

Permanent Care & Adoptive Families is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 50 Market Street
Melboure VIC 3000

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 5 August 2019.

Permanent Care & Adoptive Families
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Revenue	3	534,502	563,590
Interest revenue calculated using the effective interest method		10,949	9,385
Expenses			
Admininstation expenses		(29,736)	(42,169)
Rent expenses		(60,000)	(60,000)
Employee benefits and consulting		(161,030)	(158,234)
Project expenses		(56,570)	(57,982)
Depreciation and amortisation expense		(2,315)	(2,915)
Advocacy and support expenses		(132,467)	(143,623)
Other expenses		(101,273)	(89,846)
Surplus before income tax expense		2,060	18,206
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Permanent Care & Adoptive Families		2,060	18,206
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Permanent Care & Adoptive Families		2,060	18,206

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

Permanent Care & Adoptive Families
Statement of financial position
As at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	4	449,715	388,823
Trade and other receivables	5	3,741	130,617
Total current assets		453,456	519,440
Non-current assets			
Property, plant and equipment	6	5,209	6,212
Total non-current assets		5,209	6,212
Total assets		458,665	525,652
Liabilities			
Current liabilities			
Trade and other payables	7	17,994	12,931
Employee benefits	8	33,919	27,029
Other	9	-	140,000
Total current liabilities		51,913	179,960
Total liabilities		51,913	179,960
Net assets		406,752	345,692
Equity			
Reserves	10	266,000	207,000
Retained surpluses		140,752	138,692
Total equity		406,752	345,692

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

Permanent Care & Adoptive Families
Statement of changes in equity
For the year ended 30 June 2019

	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2017	207,000	120,486	327,486
Surplus after income tax expense for the year	-	18,206	18,206
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	18,206	18,206
Balance at 30 June 2018	207,000	138,692	345,692

	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2018	207,000	138,692	345,692
Surplus after income tax expense for the year	-	2,060	2,060
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	2,060	2,060
Transfer	59,000	-	59,000
Balance at 30 June 2019	266,000	140,752	406,752

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

Permanent Care & Adoptive Families
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Grants and funding		574,886	517,887
Interest received		10,949	9,385
Other revenue		5,492	10,206
Payments to suppliers and employees (inclusive of GST)		(529,123)	(544,307)
Net cash from/(used in) operating activities	12	62,204	(6,829)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,312)	(2,077)
Net cash used in investing activities		(1,312)	(2,077)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		60,892	(8,906)
Cash and cash equivalents at the beginning of the financial year		388,823	397,729
Cash and cash equivalents at the end of the financial year	4	449,715	388,823

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

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 Associations Incorporation Reform Act 2012 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Permanent Care & Adoptive Families.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards 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 oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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.

Revenue recognition
The incorporated association recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services
Rendering of services revenue is recognised upon delivery of the service to the customer.

Note 1. Significant accounting policies (continued)

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.

Income tax
As the incorporated association is a tax exempt institution in terms of subsection 50-10 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.

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 initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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:

Plant and equipment	2-10 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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (continued)

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.

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 2019. 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.

Estimation of useful lives of assets
The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Permanent Care & Adoptive Families
Notes to the financial statements
30 June 2019

Note 3. Revenue

	2019 $	2018 $
Revenue from contracts with customers		
Trading and operating revenues	5,358	10,007
Other revenue		
Grants and funding	529,010	553,384
Gifts and donations	134	199
	529,144	553,583
Revenue	534,502	563,590

Note 4. Current assets - cash and cash equivalents

	2019 $	2018 $
Cash on hand	200	300
Cash at bank	279,515	168,523
Cash on deposit	170,000	220,000
	449,715	388,823

Note 5. Current assets - trade and other receivables

	2019 $	2018 $
Trade receivables	1,480	125,600
Other receivables	2,261	5,017
	3,741	130,617

Note 6. Non-current assets - property, plant and equipment

	2019 $	2018 $
Plant and equipment - at cost	11,123	24,614
Less: Accumulated depreciation	(5,914)	(18,402)
	5,209	6,212

Note 7. Current liabilities - trade and other payables

	2019 $	2018 $
Other payables	17,994	12,931

Note 8. Current liabilities - employee benefits

	2019 $	2018 $
Employee benefits	33,919	27,029

Note 9. Current liabilities - other

	2019 $	2018 $
Grants received in advance	-	140,000

Note 10. Equity - reserves

	2019 $	2018 $
General reserves	266,000	207,000

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 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.

Note 12. Reconciliation of surplus after income tax to net cash from/(used in) operating activities

	2019 $	2018 $
Surplus after income tax expense for the year	2,060	18,206
Adjustments for:		
Depreciation and amortisation	2,315	2,915
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	126,876	(130,497)
Decrease in prepayments	-	3,313
Increase/(decrease) in trade and other payables	5,063	(6,105)
Increase in employee benefits	6,890	10,339
Increase/(decrease) in other operating liabilities	(81,000)	95,000
Net cash from/(used in) operating activities	62,204	(6,829)

Permanent Care & Adoptive Families
Directors' declaration
30 June 2019

In the directors' 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 the Associations Incorporation Reform Act 2012 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 2019 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

Meredith Carter
President

Date 5 August 2019.

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report

We have audited the financial report of Permanent Care Adoptive Families, which comprises the statement of financial position as at 30 June 2019, 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 Permanent Care Adoptive Families has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards to the extent described 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 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.

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 registered entity's financial reporting responsibilities under the Associations Incorporation Reform 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.

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 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: 5 August 2019