

Greystanes Disability Services

ABN 48 002 905 802

Financial Report - 30 June 2019

Greystanes Disability Services

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Greystanes Disability Services
Directors' report
30 June 2019

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2019.

Directors

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

Peter Poulos - President
Alexis Viles - Vice President
Ronald Jones - Treasurer
Robert Tinsey - Secretary
Maxine Kerrison
Merylese Mercieca
Jane Adams
Tania Pearce (appointed 26 October 2018)
John Rankins (appointed 26 October 2018)
John Curry (appointed 20 November 2018)
Rodney Newman (appointed 20 November 2018)
Nicholas Tziavaras (appointed 27 March 2019)
Pauline Neall - Vice President (resigned 3 July 2018)
Frank Norman (resigned 8 October 2018)

Objectives

The Company's short term and long term objectives are to:

- Provide quality services to the people it supports and their families;
- Value and support its staff;
- Ensure financial viability and sound business systems;
- Maintain and expand strategic partnerships;
- Increase its public profile and expand its fundraising efforts; and
- Actively seek future development opportunities.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Identifying, implementing, and refining programs and services it offers the people it supports;
- Increase in public profile;
- Developing a business plan to help guide the company; and
- Maintaining the Greystanes Foundation.

Principal activities

During the financial year the principal continuing activities of the company were the provision of accommodation and support to people with intellectual and / or physical disabilities.

Performance measures

The following measures are used within the Company to monitor performance:

- Collated questionnaires completed by the families of the people it supports;
- Assessment of the progress made by the people it supports against their personalised plans; and
- Assessment of key financial indicators.

Information on directors

Name:	Peter Poulos
Title:	President
Experience and expertise:	Peter is the owner and manager of Theo Poulos Real Estate in Katoomba and has many years of experience in the field. Peter has overseen many advances at Greystanes and brings his experience and commitment to people with disabilities to his role as President of the Board.
Special responsibilities:	Finance Committee member

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Name: Alexis Viles
Title: Vice President
Qualifications: Bachelor of Health Administration
Justice of the Peace
Experience and expertise: Alexis retired from her position as Senior Nurse Manager in 2010. Her vast nursing experience included emergency and acute care and cardiology and health administration. Alexis has been the Chairperson of the Board of the Blue Mountains Retirement Village for nine years, is a trustee with the Blue Mountains Health Trust and a member of the Save the Children fund.

Name: Ronald Jones
Title: Treasurer
Qualifications: Master of Business (Accounting)
Fellow of CPA Australia
Fellow of the Governance Institute of Australia
Fellow of the Chartered Institute of Secretaries
Fellow of the Institute of Public Accountants
Experience and expertise: Ronald was in public practice in the Blue Mountains from 2005 to 2015 since retiring from full time public practice. He continues to provide accounting and some audit services to community organisations and incorporated associations in the Blue Mountains and Penrith areas. Prior to being in public practice, Ronald held senior finance positions in a number of Australian and overseas companies including over 15 years as Associate Director Finance at Jones Lang Lasalle.
Special responsibilities: Finance Committee Chair

Name: Robert Tinsey
Title: Secretary and CEO
Qualifications: Bachelor of Economics (major in Accounting)
Bachelor of Law
Experience and expertise: Robert has been a solicitor for over 37 years, practising as a sole practitioner in Katoomba since 2002 and has considerable experience in corporate and commercial matters. Robert is a Life Member of Hepatitis NSW, having served as a Board member for over 10 years. He has been an honorary solicitor for numerous service clubs, branches of charities and community organisations, and provided pro bono legal services throughout his career.
Special responsibilities: Finance Committee member

Name: Maxine Kerrison
Title: Director
Experience and expertise: For the past 30 years, Maxine has been involved with and worked for a number of disability organisations, working with group homes and assisting with the first Post School Options Program for deaf and blind young adults. After retiring from paid work, Maxine continued in the field as a volunteer for Riding for the Disabled (RDA) Blue Mountains. She is a Coach and President of RDA's Management Committee. Maxine is also a parent and carer for her daughter who attends Leura Day Options.

Name: Merylese Mercieca
Title: Director
Qualifications: Certificat IV Carbon Management
Bachelor and Masters degree in Health Science
Experience and expertise: Merylese has been responsible for Blue Eco Homes business operations since 2003, with responsibility for office administration, financial management and marketing. Before Blue Eco Homes, Merylese has a distinguished career in nursing. Most recently, she was a Clinical Nurse Consultant for Respiratory Inpatients at Sydney's Nepean Hospital. As a senior nursing practitioner, Merylese understands well the importance of time management, operational efficiency and client service and delivery.
Special responsibilities: Finance Committee member

**Greystanes Disability Services
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Name: Jane Adams
Title: Director
Qualifications: Masters of Business Administration (Business Research)
Bachelor of Teaching (Adult Education)
Higher National Diploma Hotel and Catering Administration (Honours)
Win and Spirit Education Trust Higher Certificate
Experience and expertise: Jane is an experienced, high achieving and strategic educational leader with over 26 years in the Australian adult education environment, a broad background in hospitality and extensive experience in both the VET and higher education sectors. Jane is currently Director of Campus Life, Laureate Australia and New Zealand and leads an effective and innovative campus leadership team for an international private higher education institution, delivering quality customer service for 10,700 students at 11 campuses across Australia, New Zealand and China. Jane is also responsible for the development and management of the organisation's Australian property portfolio worth over \$18m per annum. The role requires her to be a leader of positive change and to execute the organisation's strategic direction through leading a strong and motivated team. Jane is an executive member of the Customer Experience group for the organisation.

Name: Tania Pearce
Title: Director - appointed 26 October 2018
Experience and expertise: Tania has actively supported Greystanes Disability Services since 2009 and was appointed a director on the Greystanes Disability Services Board in 2014. She is one of the owners of Da-Mell Air Conditioning & Heating Pty Ltd, servicing the communities of Western Sydney and the Blue Mountains for over twenty five years. She is pleased to have assisted scores of young apprentices to achieve trade qualifications. Tania is an active member of the Penrith Valley Chamber of Commerce as well as the Housing Industry Association. Tania has worked extensively in faith based charity organisations in the Emu Plains area, with a particular focus on mentoring young adults and providing compassionate service to persons in need. Tania is a married mother of four children.

Name: John Rankins
Title: Director - appointed 26 October 2018
Experience and expertise: As a former TAFE NSW Hospitality Head Teacher, John has had a long history as an educator and trainer of young people and is a passionate advocate for those less fortunate. Although now retired, John is a current serving board member of numerous charitable organisations, including Blue Mountains Retirement Villages, Blue Mountains Food Services (BMFS) and Rotary. He is very active with training programs to assist young disabled people gain work skills. John was awarded an Order of Australia medal in 2016 for his volunteer work with Community. He also a Paul Harris Fellow (Rotary International) and was awarded a Commonwealth of Australia Polar Medal for his work as an Australian National Antarctic Research Expeditioner.

Name: John Curry
Title: Director - appointed 20 November 2018
Experience and expertise: John was a Director with the Greystanes Foundation from its inception in April 2012. John has worked in both the public service and family business, including a stint as a Federal Ministerial Advisor. John has lived in Katoomba since 1979, commuting daily to Sydney for work for many years. In 2006 John qualified as a Conveyancer with Macquarie University and in partnership with his wife owned a conveyancing business in Katoomba.

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Name: Rodney Newman
Title: Director - appointed 20 November 2018
Experience and expertise: Rod Newman's association with Greystanes began in the early 1980's when his son John first received respite care. John has been with Greystanes since 1987. Rod has served on the Board as both President and Director from 1987 to 2004. Rod has a background in Project Management and Contract Administration and is a former member of the Department of Defence (RAAF).

Name: Nicholas Tziavaras
Title: Director - appointed 27 March 2019
Experience and expertise: Dr Tziavaras (FRACGP MBBS) has been a Director with the Greystanes Foundation since its inception in April 2012. Dr Tziavaras has had over twelve years' experience in general practice and has an interest in all aspects of health care, health promotion and children's health with particular interest in cardiovascular disease and disease prevention.

Name: Pauline Neall
Title: Vice President - resigned 3 July 2018
Experience and expertise: For many years, Pauline worked for the Blue Mountains City Council and, later in her career, as Office Manager for a Federal Member of Parliament. Pauline coordinated the Lawson Autumn Fair for ten years and served as the Secretary of the Hydrotherapy Pool Project Committee, raising funds for the hydrotherapy pool at the Blue Mountains District Anzac Memorial Hospital. She is also a member of the Lawson Chamber of Commerce and is Chair of the Greystanes Foundation.

Name: Frank Norman
Title: Director - resigned 08 October 2018
Experience and expertise: Frank is a Public Accountant, Registered Tax Agent, Senior Partner of Frank Norman & Associates and Principal of Frank Norman & Associates - Blue Mountains NSW. As the Managing Director of Norman Consulting Services Pty Limited based in North Sydney, he provides management consulting and commercial negotiation services to a number of small to medium media and marketing clients in New South Wales and Victoria. Frank was a contributing author to "Music Business and the Law" and a financial advisor to "Current Affairs Bulletin" at Sydney University. Frank was a director of WEA adult education providers for ten years and has been an officer with the Katoomba Rotary Club since moving to the Blue Mountains in 1995. He has assisted in the Winter Magic Festival and is a consultant to the Blue Mountains Folk & Blues Music Festival.

Special responsibilities: Finance Committee member

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Finance Committee	
	Attended	Held	Attended	Held
Peter Poulos	7	7	5	5
Alexis Viles	4	7	-	-
Ronald Jones	6	7	5	5
Robert Tinsey	7	7	5	5
Maxine Kerrison	5	7	-	-
Merylese Mercieca	6	7	-	-
Jane Adams	4	7	-	-
Tania Pearce	3	6	-	-
John Rankins	6	6	-	-
John Curry	4	5	-	-
Rodney Newman	4	5	-	-
Nicholas Tziavaras	3	3	-	-
Frank Norman	1	1	1	1

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30 June 2019

Held: represents the number of meetings held during the time the director held office.

Frank Norman, who is no longer a Director, still attends the finance meetings in his capacity as an external Accountant.

Contributions on winding up

In the event of the company being wound up, members are required to contribute a maximum of \$100 each.

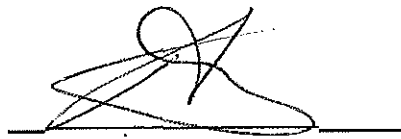
The total amount that members of the company are liable to contribute if the company is wound up is \$3,200, based on 32 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Peter Poulos
President



Ronald Jones
Treasurer

16th August 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF GREYSTANES DISABILITY SERVICES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019 there have been:

- No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Domenic Molluso

Domenic Molluso
Director

Sydney, 16 August 2019

ACCOUNTANTS & ADVISORS

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Greystanes Disability Services
Statement of comprehensive income
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	4	12,012,487	12,970,510
Fair value (decrement) / increment on investment properties		166,674	(15,376)
Total revenue		<u>12,179,161</u>	<u>12,955,134</u>
Expenses			
Accommodation services		(8,103,210)	(7,941,381)
MPS		-	(1,147,256)
Leura day options		(2,152,672)	(1,874,556)
Administrative expenses		(1,385,613)	(1,053,851)
Insurance expense		(282,194)	(242,323)
Total expenses		<u>(11,923,689)</u>	<u>(12,259,367)</u>
Surplus for the year attributable to the members of Greystanes Disability Services		255,472	695,767
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		(34,285)	346,113
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of financial assets at fair value through other comprehensive income		(164)	637
Other comprehensive income for the year		<u>(34,449)</u>	<u>346,750</u>
Total comprehensive income for the year attributable to the members of Greystanes Disability Services		<u><u>221,023</u></u>	<u><u>1,042,517</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**Greystanes Disability Services
Statement of financial position
As at 30 June 2019**

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	6	4,155,902	3,219,804
Trade and other receivables	7	114,465	190,060
Financial assets at fair value through other comprehensive income	8	2,941	3,105
Other	9	9,204	100,631
Total current assets		<u>4,282,512</u>	<u>3,513,600</u>
Non-current assets			
Investment properties	10	1,425,000	1,970,000
Property, plant and equipment	11	3,951,025	3,880,145
Total non-current assets		<u>5,376,025</u>	<u>5,850,145</u>
Total assets		<u>9,658,537</u>	<u>9,363,745</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,035,711	1,035,566
Borrowings	13	111,445	33,774
Employee benefits	14	882,259	1,012,965
Other	15	98,119	138,687
Total current liabilities		<u>2,127,534</u>	<u>2,220,992</u>
Non-current liabilities			
Borrowings	16	262,741	128,274
Employee benefits	17	184,105	151,345
Total non-current liabilities		<u>446,846</u>	<u>279,619</u>
Total liabilities		<u>2,574,380</u>	<u>2,500,611</u>
Net assets		<u>7,084,157</u>	<u>6,863,134</u>
Equity			
Reserves	18	4,493,157	4,527,606
Retained surpluses		<u>2,591,000</u>	<u>2,335,528</u>
Total equity		<u>7,084,157</u>	<u>6,863,134</u>

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

**Greystanes Disability Services
Statement of changes in equity
For the year ended 30 June 2019**

	Asset Replacement Reserve \$	Asset Revaluation Surplus \$	Financial Asset Reserve \$	Capital Profits Reserve \$	Accumulated Surplus \$	Total equity \$
Balance at 1 July 2017	-	1,858,608	1,230	1,447,018	2,513,761	5,820,617
Surplus for the year	-	-	-	-	695,767	695,767
Other comprehensive income for the year	-	346,113	637	-	-	346,750
Total comprehensive income for the year	-	346,113	637	-	695,767	1,042,517
Transfer to reserves	874,000	-	-	-	(874,000)	-
Balance at 30 June 2018	<u>874,000</u>	<u>2,204,721</u>	<u>1,867</u>	<u>1,447,018</u>	<u>2,335,528</u>	<u>6,863,134</u>

	Asset Replacement Reserve \$	Asset Revaluation Surplus \$	Financial Asset Reserve \$	Capital Profits Reserve \$	Accumulated Surplus \$	Total equity \$
Balance at 1 July 2018	874,000	2,204,721	1,867	1,447,018	2,335,528	6,863,134
Surplus for the year	-	-	-	-	255,472	255,472
Other comprehensive income for the year	-	(34,285)	(164)	-	-	(34,449)
Total comprehensive income for the year	-	(34,285)	(164)	-	255,472	221,023
Balance at 30 June 2019	<u>874,000</u>	<u>2,170,436</u>	<u>1,703</u>	<u>1,447,018</u>	<u>2,591,000</u>	<u>7,084,157</u>

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

Greystanes Disability Services
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from grants and clients		11,506,031	11,547,395
Payments to suppliers and employees		<u>(11,373,905)</u>	<u>(11,872,034)</u>
		132,126	(324,639)
Distributions received		407,119	40,000
Interest received		44,748	46,954
Interest and other finance costs paid		<u>(24,066)</u>	<u>(15,610)</u>
Net cash from/(used in) operating activities		<u>559,927</u>	<u>(253,295)</u>
Cash flows from investing activities			
Payments for investment property	10	(380,130)	-
Payments for property, plant and equipment	11	(357,509)	(131,411)
Proceeds from disposal of property, plant and equipment		<u>901,672</u>	<u>79,015</u>
Net cash from/(used in) investing activities		<u>164,033</u>	<u>(52,396)</u>
Cash flows from financing activities			
Net proceeds/(repayment) of borrowings		<u>212,138</u>	<u>(31,093)</u>
Net cash from/(used in) financing activities		<u>212,138</u>	<u>(31,093)</u>
Net increase/(decrease) in cash and cash equivalents		936,098	(336,784)
Cash and cash equivalents at the beginning of the financial year		<u>3,219,804</u>	<u>3,556,588</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>4,155,902</u></u>	<u><u>3,219,804</u></u>

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

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 1. General information

The financial statements cover Greystanes Disability Services as an individual entity. The financial statements are presented in Australian dollars, which is Greystanes Disability Services's functional and presentation currency.

Greystanes Disability Services is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 August 2019. The directors have the power to amend and reissue the financial statements.

Note 2. 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 company 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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991, 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 available-for-sale financial assets, investment properties and certain classes of property, plant and equipment.

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 company'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 3.

Revenue recognition

The company recognises revenue as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, when it is probable the economic benefit will flow to the company and the amount can be reliably measured.

If conditions are attached to the grant which must be satisfied before the company is eligible to receive the contributions, the recognition of the grant as revenue will be deferred until those conditions are satisfied and control of the funds is obtained.

Note 2. Significant accounting policies (continued)

Interest

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

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

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

Income tax

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

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company'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 company'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 company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Note 2. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the asset revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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 either on a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. Depreciation rates applied to each category of property, plant and equipment are as follows:

Buildings	2.5%
Plant and equipment	5.0 - 25%
Plant and equipment in group homes	2.5% - 25%

Note 2. Significant accounting policies (continued)

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

Plant and equipment under lease is depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any asset revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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.

Note 2. Significant accounting policies (continued)

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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Comparative amounts

Comparatives have been adjusted to conform with changes in presentation for the current year.

Note 3. 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 company 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.

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of the fair value of land and buildings, and investment properties

The company determines the fair value of land and buildings and investment properties based on an estimate of its valuation provided by a certified professional real estate valuer. The reasonableness of the valuation is assessed by taking into account existing and comparable market sales data at the date of valuation.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	2019	2018
	\$	\$
<i>Revenue</i>		
MPS sales	-	471,283
Client revenue	1,326,780	1,472,096
Training packages and DVD sales	4,057	5,332
NDIS	9,699,707	9,643,540
FACS	181,800	-
	<u>11,212,344</u>	<u>11,592,251</u>
<i>Other revenue</i>		
Distributions received	407,119	40,000
Rent	65,998	75,276
Gross proceeds from fundraising	90,209	10,300
Government grants	117,187	1,164,248
Interest	35,710	51,838
Membership revenue	1,955	200
Miscellaneous revenue	32,954	10,041
Gain on disposal of assets	49,011	26,356
	<u>800,143</u>	<u>1,378,259</u>
Revenue	<u><u>12,012,487</u></u>	<u><u>12,970,510</u></u>

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 5. Expenses

	2019	2018
	\$	\$
Surplus includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	-	410,987
<i>Depreciation</i>		
Land and buildings	51,819	56,854
Plant and equipment	155,735	136,866
Plant and equipment - group homes	4,396	3,877
Investment property	4,287	354
Total depreciation	216,237	197,951
<i>Superannuation expense</i>		
Defined contribution superannuation expense	895,018	928,738
Auditor remuneration - audit of the financial statements	40,000	35,000
Employee benefits (ex superannuation)	8,557,730	8,719,491
	8,597,730	8,754,491

Note 6. Current assets - cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	2,505,449	1,605,851
Cash on deposit	1,650,453	1,613,953
	<u>4,155,902</u>	<u>3,219,804</u>

Note 7. Current assets - trade and other receivables

	2019	2018
	\$	\$
Trade receivables	69,870	109,900
Other receivables	6,408	34,585
BAS receivable	38,187	45,575
	<u>114,465</u>	<u>190,060</u>

Note 8. Current assets - financial assets at fair value through other comprehensive income

	2019	2018
	\$	\$
Ordinary shares	<u>2,941</u>	<u>3,105</u>

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 9. Current assets - other

	2019	2018
	\$	\$
Accrued revenue	6,183	15,221
Prepayments	3,021	85,410
	<u>9,204</u>	<u>100,631</u>

Note 10. Non-current assets - investment properties

	2019	2018
	\$	\$
Investment properties - at fair value	<u>1,425,000</u>	<u>1,970,000</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,970,000	1,450,000
Additions - Leichhardt St	380,130	-
Grant funding used - Leichhardt St	(275,000)	-
Disposals - Farnells Rd	(812,517)	-
Revaluation increments / (decrements)	166,674	(15,376)
Transfer from plant, property and equipment	-	535,730
Depreciation expense	(4,287)	(354)
Closing fair value	<u>1,425,000</u>	<u>1,970,000</u>

Valuations of investment properties

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Australian Valuers Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Note 11. Non-current assets - property, plant and equipment

	2019	2018
	\$	\$
Land and buildings - at fair value	<u>3,100,000</u>	<u>3,200,000</u>
Plant and equipment - at cost	1,978,311	1,996,038
Less: Accumulated depreciation	(1,235,998)	(1,407,550)
	<u>742,313</u>	<u>588,488</u>
Plant and equipment in group homes	178,061	157,711
Less: Accumulated depreciation	(69,349)	(66,054)
	<u>108,712</u>	<u>91,657</u>
	<u>3,951,025</u>	<u>3,880,145</u>

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 11. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Plant and equipment \$	Plant and equipment in group homes \$	Total \$
Balance at 1 July 2018	3,200,000	588,488	91,657	3,880,145
Additions	7,579	349,930	-	357,509
Disposals	(5)	(40,370)	(19)	(40,394)
Revaluation decrements	(34,285)	-	-	(34,285)
Transfers in/(out)	(21,470)	-	21,470	-
Depreciation expense	(51,819)	(155,735)	(4,396)	(211,950)
Balance at 30 June 2019	<u>3,100,000</u>	<u>742,313</u>	<u>108,712</u>	<u>3,951,025</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2019 by independent valuers. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Property, plant and equipment secured under finance leases

Refer to note 21 for further information on property, plant and equipment secured under finance leases.

Note 12. Current liabilities - trade and other payables

	2019 \$	2018 \$
Trade payables	314,213	81,635
Other payables	721,498	953,931
	<u>1,035,711</u>	<u>1,035,566</u>

Note 13. Current liabilities - borrowings

	2019 \$	2018 \$
Lease liability	<u>111,445</u>	<u>33,774</u>

Note 14. Current liabilities - employee benefits

	2019 \$	2018 \$
Employee benefits	<u>882,259</u>	<u>1,012,965</u>

Note 15. Current liabilities - other

	2019 \$	2018 \$
Revenue received in advance	<u>98,119</u>	<u>138,687</u>

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 16. Non-current liabilities - borrowings

	2019 \$	2018 \$
Lease liability	<u>262,741</u>	<u>128,274</u>

Total secured liabilities

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 17. Non-current liabilities - employee benefits

	2019 \$	2018 \$
Non-current employee benefits	<u>184,105</u>	<u>151,345</u>

Note 18. Equity - reserves

	2019 \$	2018 \$
Revaluation surplus reserve	2,170,436	2,204,721
Capital profits reserve	1,447,018	1,447,018
Financial asset reserve	1,703	1,867
Asset replacement reserve	<u>874,000</u>	<u>874,000</u>
	<u>4,493,157</u>	<u>4,527,606</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Capital profits reserve

The reserve records profits made on disposal of assets or investments.

Financial asset reserve

The reserve is used to recognise increments and decrements in the fair value of shares in listed entities.

Asset replacement reserve

The reserve is used to recognise retained surpluses set aside for the acquisition of capital assets in future periods.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2019 \$	2018 \$
Aggregate compensation	<u>918,208</u>	<u>905,982</u>

Note 20. Contingent liabilities

The company has no contingent liabilities at 30 June 2019.

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 21. Commitments

	2019	2018
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	358,672	-
One to five years	1,434,689	-
	<u>1,793,361</u>	<u>-</u>
<i>Lease commitments - finance</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	111,445	33,774
One to five years	241,598	128,274
	<u>353,043</u>	<u>162,048</u>

Operating lease commitments were initiated in 2019 as FACS entered into a lease with the Company for the FACS owned group homes.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

The following transactions occurred with related parties:

	2019	2018
	\$	\$
Property management fees and sales commission for the sale of rental property paid to Theo Poulos	20,455	3,670
Legal fee retainer paid to Robert Tinsey Pty Ltd, a company controlled by Robert Tinsey, CEO and director	49,964	41,636
Cash donations paid by Peter Poulos to the Company	5,000	-
Cash donations paid by Robert Tinsey to the Company	4,100	-

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Greystanes Disability Services
Notes to the financial statements
30 June 2019

Note 24. Charitable Fundraising Act 1991

	2019	2018
	\$	\$
Donation revenue	90,209	50,300
Cost of fundraising	<u>(37,752)</u>	<u>(80,132)</u>
Net fundraising revenue/(expense)	<u><u>52,457</u></u>	<u><u>(29,832)</u></u>

Total costs of fundraising as a percentage of revenue from fundraising activities was 42% (2018: 159%).

Total net fundraising revenue as a percentage of revenue from fundraising activities was 58% (2018: -59%).

2018 donation revenue includes \$40,000 of distributions received from Greystanes Foundation.

Greystanes Disability Services
Directors' declaration
30 June 2019

In the directors' opinion:


- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company'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 company will be able to pay its debts as and when they become due and payable.

In compliance with Section 24 of the Charitable Fundraising Act 1991 and the Authority conditions, the directors also declare that:

- the statement of comprehensive income gives a true and fair view of all income and expenditure with respect to fundraising appeals;
- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority to fundraise have been complied with; and
- the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

Signed in accordance with a resolution of directors made pursuant to section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors



Peter Poulos
President



Ronald Jones
Treasurer

16th August 2019

Greystanes Disability Services

Independent Auditor's Report to Members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Greystanes Disability Services (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration. In addition, we have audited the Company's compliance with the specific requirements of the *Charitable Fundraising Act 1991* for the year ended 30 June 2019.

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

- a. Giving a true and fair view of the Company'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 – Reduced Disclosure Regime, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

In compliance with Section 24 of the *Charitable Fundraising Act 1991* and the Authority Condition, in our opinion:

- a. The financial report of the Company gives a true and fair view of the financial results of fundraising appeals during the year ended 30 June 2019;
- b. The accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991* and the Regulations;
- c. Money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the Regulations; and
- d. At the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ACCOUNTANTS & ADVISORS

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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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime, the ACNC Act and for compliance with the *Charitable Fundraising Act 1991*. The directors are also responsible for such internal control as the directors determine 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Domenic Molluso

Domenic Molluso
Director

Sydney, 16 August 2019