

Physical Disability Council of NSW INC

Financial Report for the Year Ended 30 June 2017

BOARD'S REPORT

Your board members submit the financial report of Physical Disability Council of New South Wales Inc. Association (Non-reporting) for the financial year ended 30 June 2017.

Board Members

The names of board members throughout the year and at the date of this report are:

Peter Simpson – President

Matthew Kayrooz – Vice President

Chris Sparks – Treasurer

Kevin Finlayson – Member

David Jeffries – Secretary

Caroline Daley – Member

Arthur Theodore – Member

Phil Burfurd – Member

Principal Activities

The principal activities of the association during the financial year were to provide systemic advocacy, education and information to people with physical disabilities in NSW.

Significant Changes

PDCN received a major donation in the 2016/17 year adding to our retained income, along with additional funding to continue the DSO Peer Support Project. These funds, paired with growth in our fee for service training and professional services, and the addition of small management fees for the delivery of projects has seen a marked increase in our retained surplus for this period.

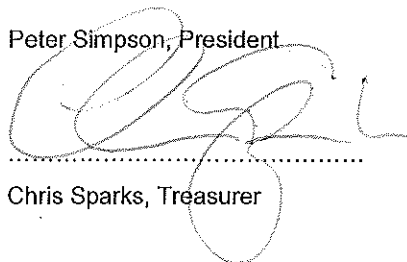
Operating Result

The surplus after providing for income tax for the 2017 financial year amounted to \$260,974.

Signed in accordance with a resolution of the members of the board.



Peter Simpson, President



Chris Sparks, Treasurer

Dated this 22nd day of August 2017

Physical Disability Council of NSW INC
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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
INCOME			
Government Funding		944,968	811,848
Other Income			
Interest Received		22,178	17,564
Members Contributions		5,268	5,129
Workshop Income		9,908	150
Other Income		13,034	10,355
Donations-Public		51,788	40
		102,176	33,238
		1,047,144	845,086
EXPENDITURE			
Advertising		1,446	1,372
Accessibility Supports		7,215	-
Annual Leave Provision		3,821	14,264
Auditor's Remuneration		4,000	4,800
Depreciation expense		3,101	826
Bookeeping Fees		1,750	1,280
Capital Equipment W/Off		-	4,986
Computer Expenses		2,978	29,291
Conferences and Expos		3,373	2,049
Consultancy Fees		217,020	110,116
Board Expenses		3,865	3,491
Deprecation		-	1,635
Impact Website		7,700	9,860
Insurance		8,549	9,177
Legal Fees		2,200	-
Long Service Leave		(2,222)	(12,193)
Permits, Licenses & Fees		-	472
Printing & Stationery		15,091	15,255
Rent		9,124	8,837
Repairs & Maintenance		226	10
Salaries & Wages		329,461	364,577
Staff Training & Amenities		2,159	3,731
Subscriptions		5,794	1,741
Superannuation Contributions-Compulsory		30,213	33,060

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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
Telephone		5,135	5,977
Travelling & Accommodation Expenses		121,290	93,315
Sundry		2,881	1,097
		<hr/>	<hr/>
		786,170	709,026
Current year surplus before income tax		260,974	136,060
Income tax expense		-	-
		<hr/>	<hr/>
Net current year surplus		260,974	136,060
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR		249,662	113,602
		<hr/>	<hr/>
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR		510,636	249,662
		<hr/>	<hr/>

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The accompanying notes form part of these financial statements.

ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	2	1,333,210	1,602,902
Accounts receivable and other debtors	3	27,462	130
Prepayments		-	895
TOTAL CURRENT ASSETS		1,360,672	1,603,927
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,728	3,256
TOTAL NON-CURRENT ASSETS		5,728	3,256
TOTAL ASSETS		1,366,400	1,607,183
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	5	105,700	165,790
Unamortised Grants	6	750,064	1,189,509
TOTAL CURRENT LIABILITIES		855,764	1,355,299
NON-CURRENT LIABILITIES			
Employee benefits	7	-	2,222
TOTAL NON-CURRENT LIABILITIES		-	2,222
TOTAL LIABILITIES		855,764	1,357,521
NET ASSETS		510,636	249,662
MEMBERS' FUNDS			
Retained surplus	8	510,636	249,662
TOTAL MEMBERS' FUNDS		510,636	249,662

Physical Disability Council of NSW INC

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The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Association Incorporations Act 2009. The board has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

a. **Income Tax**

The association is exempt from income tax under Subdivision 50-B of the Income tax Assessment Act 1997

b. **Property, Plant and Equipment (PPE)**

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

c. **Economic Dependence**

The association is dependent upon the NSW Department of Family & Community Services for the majority of its operating revenue. At the date of this report the department has guaranteed funding up to 30 June 2018 in accordance with its standard 3-year funding agreement.

d. **Employee Provisions**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

e. **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. **Cash on Hand**

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

g. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

h. **Revenue and Other Income**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or payables in the assets and liabilities statement.

j. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 2: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
ING Business Optimiser A/C	1,275,941	1,502,824
Westpac Banking Corporation Cheque A/C	5,535	48,370
Westpac Banking Corporation Reserves A/C	-	63
Westpac Banking Corporation Gift Fund A/C	1,584	1,524
ING Term Deposit	50,000	50,000
Paypal	150	121
	<u>1,333,210</u>	<u>1,602,902</u>

NOTE 3: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Trade Debtors	27,036	130
Deposit Bonds	426	-
	<u>27,462</u>	<u>130</u>

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Plant & Equipment	28,085	25,361
Less accumulated depreciation	(24,951)	(22,174)
	<u>3,134</u>	<u>3,187</u>
Office Furniture & Equipment	12,859	10,009
Less accumulated depreciation	(10,265)	(9,940)

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NOTE 4: PROPERTY, PLANT AND EQUIPMENT

2,594	69
5,728	3,256

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: ACCOUNTS PAYABLE AND OTHER PAYABLES

	2017	2016
	\$	\$
CURRENT		
Trade creditors	16,869	12,446
Westpac MasterCard	495	2,130
Other Creditors & Accruals	-	8,940
Superannuation Payable	8,800	9,439
ATO Clearing Account	21,741	105,161
Provision for Annual Leave	31,495	27,674
General Provisions	8,000	-
Alliance Campaign Provisions	18,300	-
	105,700	165,790

NOTE 6: UNAMORTISED GRANTS

Current

Unamortised Grant: ADHC Peak Activities	(232)	(28)
Unamortised Grant: ADHC NDIS ready	567,802	1,000,000
Unamortised Grant: ADHC Planning Support	-	64,296
Unamortised Grant: DSO Capacity Development	182,494	124,492
Marrickville Grant	-	749
Total current unamortised grants	750,064	1,189,509

NOTE 7: EMPLOYEE PROVISIONS

Non Current

The conditional long service leave provision relates to employees with between 5 and 10 years' service

	-	2,222

NOTE 8: RETAINED EARNINGS

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NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Retained Earnings at the beginning of the financial year	249,662	113,602
Net profit attributable to the association	260,974	136,060
Retained Earnings at the end of the financial year	510,636	249,662

Associations Incorporation Reform Act 2012

ss 94(2)(b), 97(2)(b) and 100(2)(b)

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION

We, Chris Sparks, and Peter Simpson, being members of the board of the Physical Disability Council of NSW Inc, certify that:

The statements attached to this certificate give a true and fair view of the financial position and performance of the Physical Disability Council of NSW Inc during and at the end of the financial year of the association ending on 30 June 2017.

Signed:

Dated:

Signed:

Dated:

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE PHYSICAL DISABILITY COUNCIL OF NSW INC**

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of The Physical Disability Council of NSW Inc, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the certification by members of the board on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Physical Disability Council of NSW Inc as of 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Act 2009

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 entity in accordance with 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 to assist the Physical Disability Council of NSW Inc to meet the requirements of the Associations Incorporation Act 2009. As a result, the financial report may not be suitable for another purpose.

Emphasis of Matter – Material uncertainty

The Physical Disability Council of NSW Inc is heavily reliant on grants from the Australian Government. Notwithstanding that as at 30 June 2017, it is in a net asset position of \$510,636, we note that the association faces uncertainty whether this funding will continue due to the introduction of the NDIS. In the event that this does not occur, we express the view that there is significant uncertainty that the company can continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to

enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility 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 Australian Auditing Standards, we exercise professional judgment 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 management.
- Conclude on the appropriateness of management'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 our 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 our audit.



Auditor's signature
Scott Bennison

Auditor's address: 71 Longueville Road Lane Cove

Dated this 31st day August 2017

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE MEMBERS OF THE PHYSICAL
DISABILITY COUNCIL OF NSW INC**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

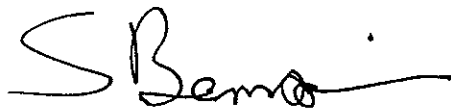
- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Infinity Financial

Name of Partner: Scott Bennison

Address: 71 Longueville Road Lane Cove

Dated in Lane Cove on this 31st day of August 2017



Scott Bennison
Partner

Physical Disability Council of NSW INC

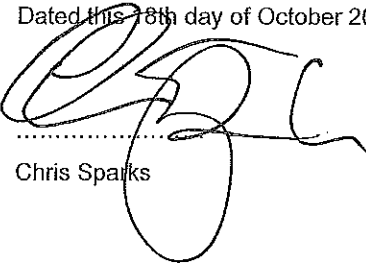
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CERTIFICATE BY MEMBERS OF THE BOARD

I, Chris Sparks of 78 Lake Cohen Drive, Kalaru, NSW, certify that:

- a. I attended the annual general meeting of the association held on 18 October 2017; and
- b. the financial statements for the year ended 30 June 2017 were submitted to the members of the association at the annual general meeting.

Dated this 18th day of October 2017



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Chris Sparks

