



ANNUAL REPORT

2018/19

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About us

Essential Personnel is a not-for-profit, established in 1989 to provide employment opportunities for people with disabilities. Our first office was established in the region of the Central Wheatbelt of Western Australia, in response to an identified gap in services to clients with disabilities in remote and regional areas.

Today, we are the longest serving employment agency in the Central Wheatbelt area of Western Australia. We have built strong, lasting relationships with employers, community organisations and disability agencies. We assist people with disabilities realise their potential and achieve their dreams and aspirations in employment and in life.

At present, our services have expanded to the Perth Metropolitan and Midlands/Wheatbelt districts. Our head office is now located in Midland and we have offices in Cannington, Merredin, Moora, Northam and Armadale. We deliver services in both Disability Employment and Lifestyle Services to over 793 individuals living with disability.

Our organisation

Our vision

Creating futures and changing lives

Our mission

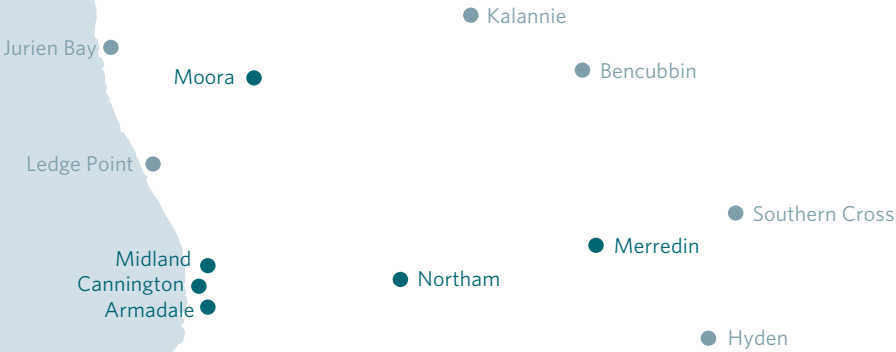
Supporting people to achieve their goals by putting their abilities first

Our values

Choice. Equality. Inclusion.

Our goals:

- Consistently deliver positive outcomes for our participants
- Ensure financial viability through effective management and targeted growth
- Ensure our brand is recognised as an industry leader and provider of choice
- Have the right systems to deliver effective and competent services
- Have the right people in the right jobs



116
staff



32%
of staff have
a disability



580
hours of
staff training

Our Impact

We work alongside 102 employers, supporting our participants to find meaningful and enjoyable work.

Collective employment statistics for 2018/19



661
participants
supported



237
new
participants



120
commenced
work

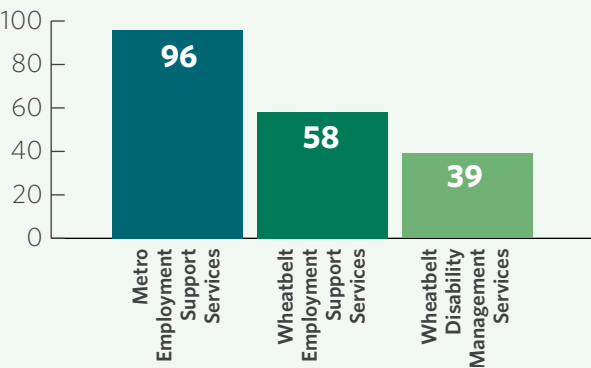


123
supported to
keep their job

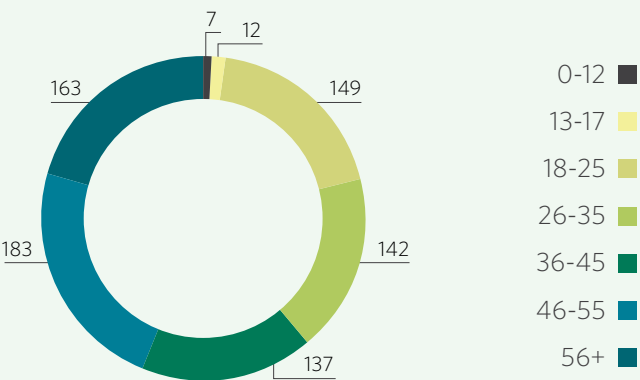


49
supported into
volunteer work

Job outcomes



Age of participants



Quality and Assurance

SAI Global conducted an audit on our Disability Employment Services. The aim was to determine if we comply with the National Standards for Disability Services.

The results...we got top score.



Chairperson's Report

The changes for the disability sector from both a National and State level have been considerable. Almost everything about how we are funded, how we report and how we deliver services has shifted this year. This has led to a significant review of our services and the implementation of changes across every level of the organisation.

Changes included the recruitment of new Board Directors, Chief Executive Officer and a review of our executive structure and processes. Despite these changes, Essential Personnel has continued to succeed and I am proud to say we have had a strong performance over the past financial year.

Without question, the success of this year can be attributed to the quality and culture of our workforce of which remains committed to supporting people with a disability to achieve their goals by putting their abilities first.

I would also like to acknowledge the contribution that Tony Marwick has made over many years, as he built Essential Personnel to be the strong performer it is today. Tony retired as CEO late 2018 and we wish him the best in his retirement years.

The future for Essential Personnel looks bright. We are excited by the roll out of the National Disability Insurance Scheme and we are looking forward to the continuing opportunities that arise with this new initiative.

Max Trenorden

"My Employment Coordinator treated me with respect, always rang me to see how I was getting on, even when I got my job."

Customer of Essential Personnel

Chief Executive Officer's Report

Since December 2018, I have had the honour of leading Essential Personnel, a great organisation with truly committed Board Directors, staff and volunteers.

From the day I started as CEO, I was told about the amazing work our staff do in order to support our participants lead the life they choose. I was told staff care about our participants, they value inclusion and they ensure outcomes are meaningful. And after six months in the role, I cannot dispute this claim, time and time again, I have seen examples where staff have gone the extra mile to ensure our participants receive the best supports to meet their goals and aspirations. I truly believe having 32% of our staff with disability is a major contributor to our success and our positive culture.

However, this year has been challenging, with the organisation having to adapt in order to survive this ever-changing environment. Nevertheless, we continue to be responsive and innovative by developing services which are designed from the ground up, with and for participants. By adapting to change and being resilient, our organisation has continued to provide valued services and thrive in the new world of the NDIS.

I am incredibly proud to lead such a wonderful organisation. Essential Personnel staff confront challenges with dedication, determination and enthusiasm. I look forward to seeing what we will achieve as an organisation in the coming year.

Dawn McAleenan



Case Study

Head Chef Shannon

Shannon first walked through the doors of Essential Personnel in 2017. At the time, Shannon was hoping to secure work on the roads but with an existing spinal disorder he found it a challenge to gain this type of employment.

Since this first meeting, Shannon has been on a journey with Essential Personnel, having been supported into various types of employment before eventually finding what he now calls his "dream job".

After owning his own lawn mowing business for a while, Shannon decided it was time to pursue his previous goal of obtaining work at a road or transport company. Shannon's Employment Coordinator met with him on a fortnightly basis to keep him focused and ensure he was able to meet his goals, which he did! Shannon got his truck licence, the equipment he needed and secured a job. But unfortunately, due to Shannon's physical barriers the job was not suitable, and he had to leave.

In March 2019 Shannon started in a new role with the Kellerberrin Hotel as a kitchenhand and cleaner. Whilst it didn't quite feel like the right fit, Shannon was driven by his goals to progress and embraced this new opportunity. The role began with small amounts of hours but quickly increased due to his new employer being impressed with his strong work ethic. This work ethic and strong dedication saw Shannon promoted to Head Chef, a role he simply adores.

Shannon's manager at the hotel said, "We are really impressed with Shannon and we don't want to lose him, he is a great addition to our team".

Our Board



Max Trenorden

Max joined the Essential Personnel Board in 2013, at the conclusion of a long and esteemed career in Western Australian politics. His 25 years in politics contained many career highlights including Member and Chair of the Public Accounts Committee in the Legislative Assembly; Member of the Standing Committee on Procedure and Privileges and Chair; and Standing Committee on Public Administration.

Max brings a wealth of knowledge in relation to State and Federal Governments, Legislature, and Parliamentary processes. In addition to his political experience, he has agricultural experience from working on the family farm and good business acumen as a result of running his own Insurance, Superannuation and Financial Broking Agency.



Jan Horsley

Jan joined the Board of Essential Personnel in 2014. Jan Horsley has extensive business experience including more than 20 years as part owner of aviation company Goldfields Air Services (GAS), which operated Regular Public Transport services from Kalgoorlie to Leonora, Laverton, Leinster, Norseman and Esperance. At its peak Goldfields Air Services operated 14 aircraft from Kalgoorlie as well as aircraft engineering services and a flight training school.

Although Jan is now officially retired on a farming property, Jan keeps busy with family and charitable activities.



Les Pettitt

Les has been a Board member since 2016.

Previous employment included 20 years in Papua New Guinea as a school teacher, lecturer (business college) and Development Bank management. He currently manages a family run distribution business in Merredin.

Les is the parent of a participant who has been receiving supports from Essential Personnel for 23 years.



Geoff Hall

Geoff Hall is a recently retired Partner of RSM Australia Partners and a Director of RSM Australia Pty Ltd. Geoff brings with him over 40 years' experience as a chartered accountant in Perth, the Central Wheatbelt and Great Southern areas of Western Australia. He specialises in medium to large family business and farming clients.

Geoff's passion for succession, business and investment planning makes him the perfect Chair of the Essential Personnel Finance Committee and Board Director of Essential Personnel.



Carol Wallbank

Carol has more than 25+ years of professional experience in the marketing industry and has worked in the specialty areas of financial services, charities, start-ups, universities and media.

Carol Wallbank is currently proprietor of Create Enterprises which focuses on marketing, media, and business development for clients across a range of industries.

Carol attained an MBA from Curtin University of Technology and also has a Graduate Certificate in Change Management from the University of NSW. Carol is on the Board of the Essential Personnel, Direct Reach Ethiopia, The Belmont Business Enterprise Centre and the Textile, Clothing, Footwear Resource Centre of Australia.



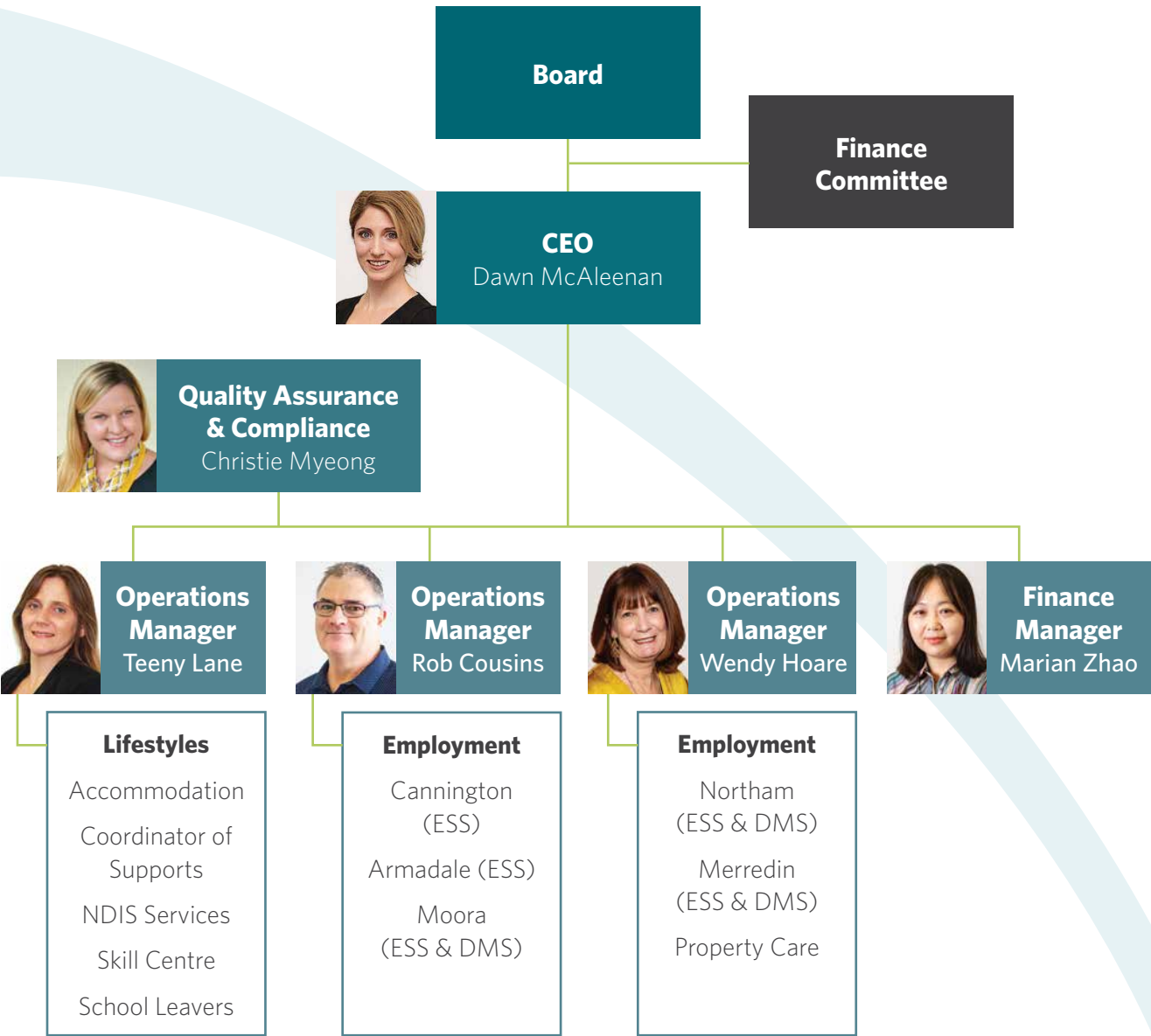
Werner Fourie

Werner joined the board of Essential Personnel this year.

Werner has extensive experience in insurance and has held various roles in dispute resolution. Today Werner is employed as an Executive Liability Adjuster for Sedgwick and mainly deals with Public Liability Claims involving personal injury, property damage, construction, pollution and fatalities

Werner has a legal background which comes in extremely handy when assisting local solicitors with conducting factual investigations into liability and quantum.

Organisational structure



Our programs

Lifestyles

Lifestyle Services provide a wide range of supports for individuals to enable them to live the life they choose. Types of supports we provide under Core and Capacity Building are:

- Daily Living
- Home
- Health and Wellbeing
- Lifelong Learning
- Work
- Social and Community Participation
- Relationships
- Choice and Control
- Customised Employment and School Leavers Program

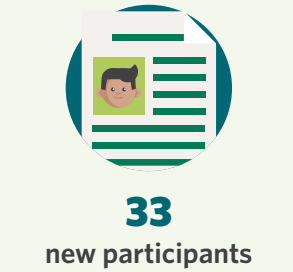
Lifestyle services also have a team of Coordination of Supports to assist individuals to bring their NDIS plans to life.

Property Care

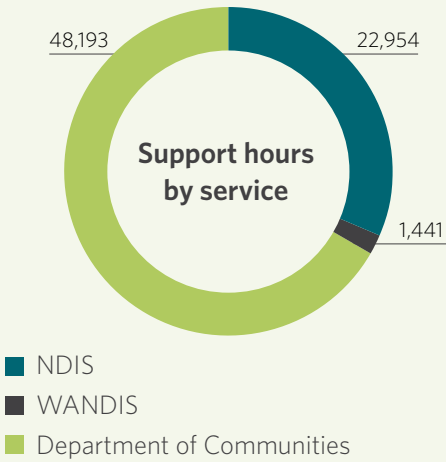
Property Care is a social enterprise that was established in 1990 to provide employment for people with disabilities. Today the service provides a range of contracted services to local businesses in the Northam area whilst directly employing 13 staff with disability.

The quality of the service we provide has not gone unnoticed. One of our contracts is to maintain the gardens at Muresk Institute and here is what they said about us:

"Muresk has noted a remarkable difference in the quality of the work being undertaken on the gardens. Under the capable management of Adrian and Chris, the team are working diligently and professionally to restore the grounds to their former glory. They are not only maintaining the grounds, they are continually creating new garden vistas and coming up with creative ideas to enhance the Campus. It is a pleasure to have the team on site."



72,588 support hours provided





Case Study

More than just a job

When we first met Tym in 2015 he was in a tough place. Coming from a small country town with limited public services, he was struggling to make ends meet on Newstart whilst managing life with Bipolar Disorder and a history of substance abuse. These factors led to feelings of isolation and depression for Tym.

However, Tym was determined to get control of his life. He knew he didn't want just any job, he wanted a meaningful career.

After a lot of soul searching, job trials and discussions with his Employment Coordinator, Tym decided he wanted to support people with their mental health as he could relate and was driven to make a positive impact on the lives of others.

Tym's Employment Coordinator at Essential Personnel did some research and found the perfect course for Tym to study: a Certificate IV in Mental Health. Essential Personnel provided Tym with financial support to complete his Certificate as well as giving him lots of encouragement along the way.

Once Tym completed his theory side of the course, he also needed to get practical experience through a placement. His Employment Coordinator found him a placement at Lifeplan, a role that eventually led to paid employment thanks to his hard work and great attitude.

Tym hasn't looked back since.

Tym has made a new network of friends and continues to engage in therapeutic supports to help with his own mental health. He feels this would not have been made possible without the support of his Essential Personnel Employment Coordinator.

Cambodia

Essential Personnel provides support to Essential Personnel Cambodia to assist young people living with a disability.

This year, Essential Personnel Cambodia:

- **Supported 15 students to engage in university studies.** The program provides financial assistance to each student paying school fees, providing uniforms, school books, transport, social interaction and accommodation.
- **Provided outreach services for 30 young people** in the rural community to enable them to attend school.
- **Provided job awareness training to 108 students.**
- **Assisted 38 young people** into employment.



Case Study

Keys to independence

Nineteen year old Rebecca, who lives with a physical and intellectual disability, came to Essential Personnel with the goal of becoming more independent and getting her driver's licence.

Unfortunately, after three failed attempts at passing her theory test, Rebecca's confidence was shaken.

When Rebecca's Support Worker, Sandy began going through the practice books and examples with her, it became clear that Rebecca did not understand the terminology being used. Sandy jumped into action and guided her through the theory questions by making a model of the roads and using a visual aid to enhance her understanding. It worked a treat and a few months later, Rebecca passed her theory test with an amazing score of 38/40!

Rebecca was then ready to hit the road for driving lessons. Sandy found her a driving instructor that she felt comfortable with and Rebecca had four professional lessons. After this, Sandy took her for lessons in Essential Personnel's company vehicle.

While out driving Rebecca also learnt new life skills such as managing a budget and ways to shop, learning how to read maps and find directions to new places, as well as being responsible for what she needed to bring on the day.

She was making her own decisions and simply thriving.

After 18 months of weekly driving lessons, Rebecca felt comfortable in doing her driving test. However, on the day she was extremely nervous, so Sandy went with her for extra support. Rebecca passed with 100% and Sandy was proud as punch!

Rebecca continues working towards being independent and having her driving licence is a huge step towards her achieving this goal.



Financial statements

Finance Committee Chairperson's report

Our organisation has done remarkably well overcoming some major financial challenges during the year ended 30 June 2019 including:

1. The change of funding source from State (Department of Communities) to Federal (NDIS) meant much of the organisation's funding sources changed from a payment in advance to a payment in arrears.
2. Change of accounting system from 3 MYOB Cash Books to one integrated cloud based Xero cash book system.
3. Appointment of a new CEO, Dawn McAleenan.
4. The loss of some contracts as at 30 June 2018 and adjustments required as a result.
5. Appointment of a Finance Manager, Marian Zhao.
6. Appointment of a Finance Officer.

To assist with the transition to the National Disability Insurance Scheme (NDIS), Keogh Bay Consulting were engaged to prepare a project plan to identify service opportunities that the transition would provide.

As part of the project, an analysis of future viability of the existing service delivery model was prepared. The key findings were:

1. Low cash balance to fund Essential Personnel ongoing operating expenses due to transition from payment in advance under the State block funding model to payment post service delivery under the NDIS.
2. Staff utilisation (efficiency) is a key element in ensuring the organisation remains viable and a staff utilisation rate of 80% was required in order to achieve viability.

Results to the 30 June 2019 indicate an operating profit before depreciation of \$405,871 compared to previous years 2018 - Loss of \$19,974, 2017 - Profit of 289,323, 2016 - Loss of \$38,243 and 2015 - Loss of \$144,215.

The 2019 results were also improved through the sale of a property at Midland which realised a profit of \$258,302 (in addition to the \$405,871 operating profit) and a cash injection to the business of almost \$600,000.

Turnover keeps steady in 2019 as \$5,775,000 compared to \$5,776,000 in 2018.

Both the operating profit and the sale of Midland property has improved the balance sheet to substantially reduce liquidity risk (short term financial viability risk) as flagged by the Keogh Bay Report.

Our new CEO and senior managers have also initiated plans to drive efficiency through staff utilisation and focus on viable service offerings which has been a major factor in EP achieving the best financial results in over 5 years.

The challenges associated with NDIS shall continue and there is increasing competition as well. However, the new executive team headed by CEO Dawn McAleenan and Financial Manager Marian Zhao and our highly skilled senior managers are highly capable and well-structured and resourced to take on these challenges and continue to run a viable and growing business.

Geoff Hall

Essential Personnel Finance Committee Chairman

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
BALANCE SHEET
AS AT 30 JUNE 2019

| | Notes | 2019 \$ | 2018 \$ |
|----------------------------------|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash | 2 | 1,243,100 | 421,126 |
| Prepayment | 3 | 33,955 | - |
| Receivables | 4 | 63,096 | 50,095 |
| Total Current Assets | | 1,340,151 | 471,221 |
| NON-CURRENT ASSETS | | | |
| Land, Buildings & Improvements | 5 | 1,590,914 | 1,865,427 |
| Motor Vehicles | 5 | 229,287 | 332,550 |
| Plant & Equipment | 5 | 59,073 | 64,189 |
| Furniture & Fittings | 5 | 42,983 | 51,112 |
| Total Non-Current Assets | | 1,922,257 | 2,313,278 |
| TOTAL ASSETS | | 3,262,408 | 2,784,499 |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 6 | 356,447 | 339,488 |
| Loans | 7 | 31,325 | 73,510 |
| Provisions | 8 | 360,270 | 315,666 |
| Total Current Liabilities | | 748,042 | 728,663 |
| TOTAL LIABILITIES | | 748,042 | 728,663 |
| NET ASSETS | | 2,514,366 | 2,055,836 |
| Represented by: | | | |
| ACCUMULATED FUNDS | | 2,514,366 | 2,055,836 |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 \$ | 2018 \$ |
|--|------------------|------------------|
| SERVICE INCOME | | |
| DSC - Funding | 1,666,624 | 1,391,150 |
| DSS - Funding | 2,547,246 | 3,045,126 |
| DSS - DMS | - | - |
| NDIS Funding | 1,086,339 | 951,995 |
| Fees for Clients | 252,384 | 226,915 |
| Others | 223,015 | 161,532 |
| Total Service Income | 5,775,609 | 5,776,718 |
| SERVICE EXPENDITURE | | |
| Cost of Sales | 8,943 | 3,654 |
| Insurance | 74,866 | 101,549 |
| Respite Care | 359 | 55,323 |
| Salaries & Wages | 3,602,837 | 3,338,708 |
| Staff Entitlement | 44,605 | 194,780 |
| Superannuation | 326,232 | 342,626 |
| Others | 1,315,889 | 1,675,815 |
| Total Service Expenditure | 5,373,730 | 5,712,455 |
| SERVICE SURPLUS/(DEFICIT) | 401,878 | 64,263 |
| NON-SERVICE INCOME | | |
| Bank Interest | 10,279 | 2,017 |
| Profit from Disposal of Non-current Assets | 258,302 | - |
| Total Non-service Income | 268,581 | 2,017 |
| NON-SERVICE EXPENDITURE | | |
| Depreciation | 135,022 | 163,517 |
| EP Cambodia | - | 81,500 |
| Loss from Disposal of Non-current Assets | 70,621 | - |
| Other | 6,286 | 4,754 |
| Total Non-service Expenditure | 211,929 | 249,771 |
| NON-SERVICE SURPLUS/(DEFICIT) | 56,652 | (247,754) |
| TOTAL SURPLUS/(DEFICIT) | 458,530 | (183,491) |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

| | Retained Earnings \$ |
|---|-------------------------------------|
| Balance as at 1 July 2017 | 2,241,850 |
| Net Deficit attributable to the Association for the year | (183,491) |
| Prior year adjustment | (2,523) |
| Balance at 30 June 2018 | <u>2,055,836</u> |
| Net Surplus for the year | 458,530 |
| Prior year adjustment | - |
| Balance at 30 June 2019 | <u>2,514,366</u> |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

| | | 2019 \$ | 2018 \$ |
|---|---|-------------------------|-------------------------|
| Cash Flow From Operating Activities | | | |
| Receipts from customers | | 5,648,164 | 5,842,251 |
| Payments to suppliers and employees | | (5,231,678) | (5,715,408) |
| Interest received | | 10,279 | 2,017 |
| Interest paid | | (6,286) | (4,754) |
| Net cash provided by (used in) operating activities | 9 | <u>420,479</u> | <u>124,106</u> |
| Cash Flow From Investing Activities | | | |
| Proceeds from sale of assets | | 580,877 | 10,909 |
| Equipment purchased during the year | | (137,197) | (118,543) |
| | | <u>443,680</u> | <u>(107,634)</u> |
| Cash Flow From Financing Activities | | | |
| Repayment Bankwest Mortgage / Shed loan | | (73,510) | (28,797) |
| Proceeds from borrowings (Insurance Premium) | | 31,325 | - |
| | | <u>(42,185)</u> | <u>(28,797)</u> |
| Net increase (decrease) in cash held | | 821,974 | (12,325) |
| Cash at the beginning of the year | | 421,126 | 433,451 |
| Cash at the end of the year | 2 | <u>1,243,100</u> | <u>421,126</u> |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
NOTES TO, AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2015 and the Australian Charities and Not-for-Profit Commissions Act 2012. The committee has determined that the association is not a reporting

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

| | |
|----------|--------------------------------------|
| AASB101 | Presentation of Financial Statements |
| AASB107 | Statement of Cash Flows |
| AASB108 | Accounting Policies |
| AASB1048 | Interpretation of Standards |
| AASB1054 | Australian Additional Disclosures |

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

a) Fixed Assets

The fixed assets are brought to account at cost. The depreciable amount of these assets except land depreciable over their useful lives commencing from the time the asset is ready for use.

b) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses in the periods in which they are incurred.

c) Employee Benefits

The provisions for employee benefits relates to the amounts expected to be paid for the long service leave, annual leave, wages and salaries resulting from employees' services provided to balance date. All entitlements are calculated at their nominal amounts using remuneration rates and expected to be settled within one year. No allowance has been made for future pay rates and thus, discounted present value of future cash outflows due to inherent uncertainty in determining the appropriate

d) Income Tax

The Entity is a non-profit organisation and thus, exempted from income tax liability by virtue of 23(e) of the Income Tax Assessment Act.

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
NOTES TO, AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

e) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the

f) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the clients.

Grant revenue is recognised in profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

When grant revenue is received whereby the association incurs an obligation to meet certain conditions to the grant, the grant revenue is recognised in the statement of financial position as a liability until the conditions of the grant agreement have been fulfilled, otherwise the grant is recognised as income on receipt.

Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

Interest income is recognised when it is received.

g) Economic Dependence

The association is dependent on the Department of Social Services, Department of Communities and National Disability Insurance Agency funding for the majority of its revenue used to operate the business. At the date of this report the Board has no reason to believe the Department will not continue to support the association.

h) Donation

The association donated total AUD 15,000 to Essential Personnel Cambodia in financial year ended 30 June 2019.

NOTE 2: CASH

| | | |
|--------------------------|------------------|----------------|
| Petty Cash | 1,211 | 3,500 |
| Cheque Accounts | - | 154,823 |
| Cash Management Accounts | 286,039 | 152,078 |
| Term Deposits | 955,850 | 110,725 |
| | <u>1,243,100</u> | <u>421,126</u> |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
NOTES TO, AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: PREPAYMENT

| | | |
|------------|--------|---|
| Prepayment | 33,955 | - |
|------------|--------|---|

NOTE 4: ACCOUNTS AND OTHER RECEIVABLE

| | | |
|---------------|---------------|---------------|
| Trade Debtors | 51,030 | 39,413 |
| Others | (4,420) | (5,804) |
| Rental Bond | 16,486 | 16,486 |
| | <u>63,096</u> | <u>50,095</u> |

NOTE 5: PLANT & EQUIPMENT

| | | |
|-----------------------------------|------------------|------------------|
| a) Land, Buildings & Improvements | 1,880,407 | 2,115,602 |
| Less Accumulated Depreciation | (289,493) | (250,175) |
| | <u>1,590,914</u> | <u>1,865,427</u> |
| b) Motor Vehicles | 694,345 | 1,015,596 |
| Less Accumulated Depreciation | (465,057) | (683,046) |
| | <u>229,287</u> | <u>332,550</u> |
| c) Plant & Equipment | 215,950 | 395,914 |
| Less Accumulated Depreciation | (156,878) | (331,725) |
| | <u>59,073</u> | <u>64,189</u> |
| d) Furniture & Fittings | 167,559 | 169,067 |
| Less Accumulated Depreciation | (124,576) | (117,955) |
| | <u>42,983</u> | <u>51,112</u> |
| | <u>1,922,257</u> | <u>2,313,278</u> |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
NOTES TO, AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: ACCOUNTS PAYABLE

| | | |
|-----------------------------------|----------------|----------------|
| PAYG Tax Payable | 39,240 | 28,394 |
| Employee Expenses Payable | 22,074 | 22,417 |
| GST Payable | 21,630 | 84,326 |
| Trade Creditors | 197,603 | 25,499 |
| Accounts Payable (Return Funding) | - | 115,828 |
| Accrued Wages | 75,900 | 63,024 |
| | <u>356,447</u> | <u>339,488</u> |

NOTE 7: LOANS

| | | |
|-------------------------------|---------------|---------------|
| Bankwest Mortgage / Shed Loan | - | 73,510 |
| Insurance Premium Funding | 31,325 | - |
| | <u>31,325</u> | <u>73,510</u> |

NOTE 8: PROVISIONS

| | | |
|----------------------------------|----------------|----------------|
| Provision for Annual Leave | 246,275 | 228,023 |
| Provision for Long Service Leave | 113,995 | 87,642 |
| | <u>360,270</u> | <u>315,666</u> |

**NOTE 9: RECONCILIATION OF NET CASH FLOW PROVIDED BY/USED
IN OPERATING ACTIVITIES TO OPERATING SURPLUS/(DEFICIT)**

| | | |
|--|-----------------------|-----------------------|
| Operating Surplus / (Deficit) | 458,530 | (183,491) |
| Non cash amounts | | |
| Depreciation | 135,022 | 163,517 |
| Prior year adjustment | - | (2,523) |
| Profit on sale of fixed assets | (187,681) | (728) |
| Other Non Cash amount | - | - |
| Changes in assets and liabilities: | | |
| (Increase) decrease in trade and other receivables | (46,957) | 17,196 |
| Increase (decrease) in trade and other payables | 16,959 | 102,561 |
| Increase (decrease) in provisions | 44,605 | 27,574 |
| Net cash provided by operating activities | <u>420,479</u> | <u>124,106</u> |

The accompanying notes form part of these financial statements.

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC

ABN 73 049 570 899

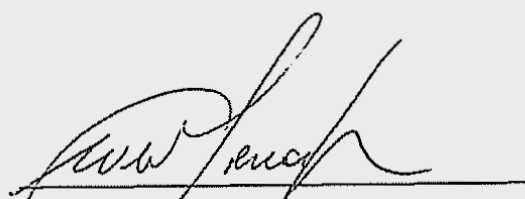
STATEMENT BY MEMBERS OF THE BOARD


In the opinion of the board the financial report:

1. Presents a true and fair view of the financial position of the Avon Community Employment Support Centre Inc as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board and are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporations Act (WA) 2015*
2. At the date of this statement, there are reasonable grounds to believe that Avon Community Employment Support Centre Inc will be able to pay its debts as and when they fall due.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by


Chairman
Name: Max Trenorden


Chief Executive Officer
Name: Dawn McAleenan

Date this 4th day of October 2019



Perth Office

30 Keymer Street, Belmont WA 6104
PO Box 1202, Cloverdale WA 6985
T (08) 6274 6400

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Avon Community Employment Support Centre Inc (the "Association"), which comprises the balance sheet as at 30 June 2019, the income statement, 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 statement by members of the Board.

In our opinion, the accompanying financial report of Avon Community Employment Support Centre Inc is in accordance with the *Associations Incorporation Act 2015 (WA)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Association's financial reporting responsibilities under the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

www.byfields.com.au

DIRECTORS: Simon Northey • Neil Hooper • Dale Woodruff • Andrew Northcott • Craig Lane • Leanne Oliver • Glenn Waldo • Roger Thomson • Brant Jansen • Ryan Naughton • Lea Williams

ASSOCIATES: Tony Umbrello • Russell Roberts • Gordon Richards • Scott Smith • Christopher Tan • Danny Poultnery • Eamonn Lanagan

Responsibilities of the Board for the Financial Report

The Board of the Association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act 2015 (WA)*, the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The Board's responsibility also includes such internal control as the Board determines 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 Board is responsible for assessing the Association'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 Board either intend to liquidate the Association 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.

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LEANNE K OLIVER CPA
Director

BYFIELDS BUSINESS ADVISERS
BELMONT WA

Dated at Perth, Western Australia this 7th October 2019



Thank you

Australian Grain Technology
Bradken Foundry
Central Regional TAFE Northam
CSBP
Department of Communities
Department of Social Services
Dream Builders
Landcorp
Moora's Men Shed

Muresk Institute
NDIS
Northam Bearings
Share and Care
Silver Chain
WADIS
Wheatbelt Medical Centre

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