



ANNUAL REPORT

2019/20

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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.

At present, our services have expanded to the Perth Metropolitan as well as regional Wheatbelt areas. Our head office is 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 730 individuals living with disability.

We are the longest serving provider of disability employment services 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.

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 customers
- 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



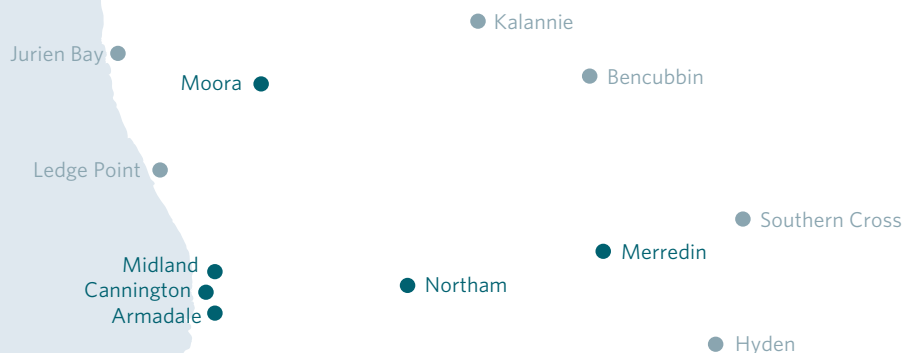
104
staff



38%
of staff have
a disability



1127
hours of
staff training/
professional
development



@essentialpersonnelwa

Chief Executive Officer's Report



Assisting our community to achieve their goals is a privilege.

Everyday our customers overcome obstacles, develop skills and become more independent. It's an honour to be able to assist in these steps and witness the life changing affect upon a person when they are able to succeed in achieving their own goals.

Our staff are perfectly placed to provide this valued support. With 38% of our staff living with disability themselves and 49% who care for someone outside of work with a disability, they clearly understand the complexities involved, and how to provide tailored supports to meet the individual needs of others with disabilities. Testament to this, are the results of our independent audits which highlight our ability to relate to our customers as being key to providing high quality services – something which we are very proud of.

We also continue to be active in the community, taking part in many employment initiatives, assisting the increase of employment for people with disability in both the not-for-profit sector and the public sector. These areas have been a great platform for us to advocate for system change, and to enable more people with disability to gain employment.

Undoubtedly COVID 19 had a significant impact on our organisation, particularly in our Disability Employment Services, however there have been upsides during this period also. Our Lifestyles Services saw significant growth, as a direct result of being able to provide a range of alternative and safe supports to those people who needed it.

I would like to thank those who use our services, our partners, colleagues, volunteers and the board who continue to work towards providing a quality service that meet the needs of our community, whilst bringing enthusiasm and being proud of who we are. Thank you!

Dawn McAleenan

Chairperson's Report



2019/2020 has been a very successful year for Essential Personnel. The organisation has grown from strength to strength in providing a range of services to enable people to achieve their goals by putting their abilities first.

To achieve this success, the Board, the Executive Management team and our staff have remained focused on improving systems and implementing processes across many different areas. This has enabled us to adapt to environmental change and offer a wide range of complimentary services that meet the changing needs of our customers.

COVID-19 brought with it some challenges, but it also provided some great opportunities, particularly for our Lifestyles Services where we were able to offer responsive supports to a growing number of customers. We thank our staff for being able to deliver quality services under these very difficult conditions and we thank our customers for having the faith in our organisation to deliver upon our promise of safe reliable services.

We look to the future with confidence.

Max Trenorden

Our Board



Max Trenorden brings a wealth of knowledge and experience to the board with a long and esteemed career in Western Australian Politics as well as agricultural and business experience.



Les Petit is a retired business owner from Merredin who also represents families of those with disabilities, with his daughter having been a customer of Essential Personnel for over 26 years.



Geoff Hall is an Agribusiness consultant with over 30 years' experience as a chartered accountant, working closely with regionally based family businesses of all sizes and farming clients across WA.



Werner Fourie has extensive experience in insurance and also has a legal background, he has held various roles in dispute resolution and mainly deals with Public Liability Claims involving personal injury, property damage, construction, pollution and fatalities.



Carol Wallbank 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.



Riaan Piek is a lawyer specialising in dispute resolution over a range of industry sectors. He has been recognised by Doyle's Guide to Leading Lawyers in Western Australia and has a particular interest in corporate governance.

For more information, please visit our website.

Organisational structure

Leadership Team



CEO

Dawn McAleenan



Quality Assurance & Compliance Manager

Christie Myeong



Operations Manager

Teeny Lane



Operations Manager

Wendy Hoare



Finance Manager

Marian Zhao

Essential Personnel as a whole



Many pieces of the puzzle: Our organisation is made up of many parts, with each and every area playing an important role in what makes up Essential Personnel as a whole.



Our programs

Disability Employment Services

Disability Employment Services is a core part of who Essential Personnel is. Since 1997 we have secured over 1600 jobs for individuals with intellectual, learning, physical, sensory, psychiatric and neurological disabilities. These clients have a diverse range of skills and abilities and we have assisted them to engage, gain and maintain employment or training of their choice.

We forge strong relationships with our customers and the business community, providing a flexible service that meets the requirements of employees.



539
customers
supported in DES



223
customers
supported in
Metro



316
customers
supported in
Wheatbelt



322
new DES
customers



100
commenced
work



134
supported to
keep their job

Our Customers

Andrew's Story

When Essential Personnel first met Andrew a few years ago, he was a fresh leaver from high school. Andrew was very keen and eager to enter the workforce however he was struggling to get his foot in the door partially due to the lack of opportunities in rural communities as well as incorrect perceptions of someone with Cerebral Palsy working. At the age of 18, Andrew was employed at his first job however, unfortunately after only a few short months he was let go due to the labour intensive nature of the job. Not long after, our team were able to secure Andrew a permanent part time position at a fast food restaurant, where he developed his skills. After a couple of years, Andrews goals changed, and although he had a job, he wanted to find one that was more suited to his interest in agriculture.

With the help of his Employment Consultant, Di, Andrew liaised with the owner of a water tank business and secured a full-time position at the company. Andrew was over the moon as he was able to use all the skills and tickets, he achieved in Cunderdin Agriculture College, including his forklift licence.

Andrew loves being a part of volunteering and giving back to the community, when an opportunity came up to be involved with the local Bushfire Brigade,



he was over the moon. For around 4 years now, Andrew has been a part of the volunteer service and has now been promoted to second lieutenant. At the age of 22, Andrew is challenging all the stereotypes of having a physical disability. With his full-time career progressing, Andrew has been able to successfully purchase his first home and loves having his own space and enjoying his independence.

Di and the team at Essential Personnel are so proud of all the achievements Andrew has accomplished. With him entering the doors of Essential Personnel years ago as a shy young man, they have watched him grow and flower into a responsible, respected adult.





Our Customers

Drayke's Story

Drayke has lived with Narcolepsy, a sleeping disorder, for seven years. When Drayke first came into contact with Essential Personnel, he believed that his disorder exempted him from working and had very low motivation. Drayke's disorder would cause him to fall asleep in a matter of seconds along with finding it exceedingly difficult to stay awake, and his free time purely revolved around gaming. For the Essential Personnel team, the biggest challenge was motivating Drayke towards wanting to secure employment and to make new friends.

Our staff were able to help secure employment at a local shop, but little did Drayke know, the opportunity presented to him would turn his life around.

Through employment, Drayke has become a much happier person and is now surrounded by a positive workforce.

Having a job has allowed him to meet new people, socialise and make friends, something that was not previously a part of his life. Waking up every morning and working, has allowed him to keep active, improve his alertness, focus and energy, which overall has had a positive effect on his sleep patterns.

With the hard work and support from Karyn and Leanne from our team, as of August 2020, Drayke has become fully independent with the purchase of his first car and is in the process of attaining his driver's licence.



Our Customers

Craig's Story

When Craig walked through Essential Personnel's doors nearly 4 years ago, he was struggling with severe mental health issues. With his confidence at an all-time low, Craig struggled to attend his weekly visits. Craig's employment consultant Diane worked with Craig to build good rapport.

Craig had been unemployed for over ten years. For Craig, gaining employment would not just be a job, but also a space where he felt safe and secure. With Diane's support, Craig maintained contact with Wheatbelt Mental Health, a service that has provided Craig with an additional layer of support. With the strong rapport Diane and Craig had built, Craig found the confidence to be ready for entering the workforce once again.

As of May 2020, Craig has broken his decade long unemployment and successfully secured a permanent position at a waste recycling centre, a small entity focused on recycling old tyres. The business has provided Craig with amazing support and has allowed him to build new relationships with his boss and co-workers.

With Craig's confidence constantly growing, he has become a happier man, with a fresh vision for life.

His boss has now entrusted him to supervise the workshop and his coworkers when left unattended. For Craig, being within a working environment, always around people has allowed him to develop new relationships, make greater friendships, allowing him to overall become a happier person.



Our Customers

Ronald's Story

Ronald is a strong independent man defying all odds. He came to the Essential Personnel team in August 2019.

Ronald had some complex health issues that Essential Personnel assisted him with overcoming. Ronald's health issues had previously affected Ronald's ability to work. With the help of Essential Personnel, Ronald's barriers were addressed and his resume was rewritten. Ronald independently applied for the position at a metal recycling company and Essential Personnel assisted the employer to access the Government Wage Subsidy.

As of the 5th of November 2019, Ronald successfully secured a position at a prominent metal recycling company as an Oxy Cutter. However, his employment was interrupted when COVID-19 forced the company to indefinitely suspend many of the workers.

After two weeks, Ronald received a call from his employer revealing an opportunity to shift positions within the company. This position required a working with height licence, which Ronald did not hold at the time. So, the very next day, Ronald used his initiative and paid for himself to get the licence and within a couple of days he was back in the workforce, except this time working in a completely different position.

As of October 2020, Ronald is still working full time hours, with an average of 38 hours a week plus overtime as offered. Through Ronald's initiative as well as the assistance and encouragement of Essential Personnel, Ronald has completely turned his life around, he is now exploring ways to improve his skills and to increase his role diversity.

Ronald's dream is to drive the 32 Tonne forklift (HR Ticket required), or as he calls it the "forklift on steroids".



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
- Customised Employment and School Leavers Program



197
participants
supported



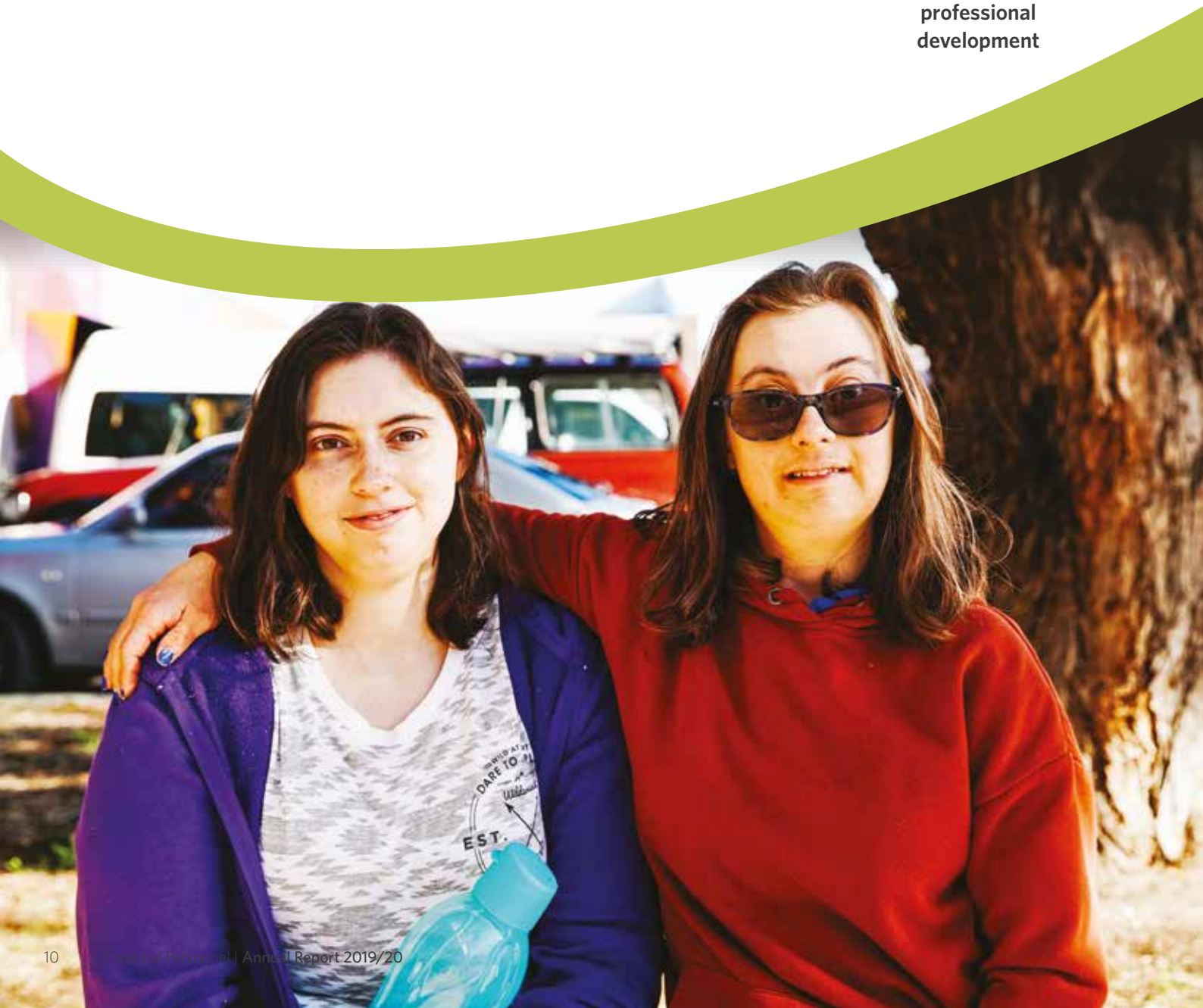
60
new participants



40,776
support hours
provided



791
hours of staff
training/
professional
development





Our Customers

Roslyn's Story

For the Lifestyle team, they aim to provide a wide range of supports for individuals, enabling them to live the life they choose. For Roslyn, when she first approached Essential Personnel, her long-term goal was being able to live independently. However, a huge goal like this would not come easily.

For several years, Roslyn stayed at Marwick House 3 nights a week, travelling 40 minutes each way from her hometown. Roslyn loved it at Marwick House as it gave her the opportunity to socialise with all the other people staying there, as well as partaking in cooking and crafting activities, and gaining valuable life skills, whilst building the necessary skills to live more independently.

Roslyn was able to take a step closer to her goal of independent living at the age of 25, with the care and support provided by Essential Personnel, Roslyn felt ready to make the move and live in her own rental home. This move has allowed Roslyn to become a part of the community.



It has also allowed her to volunteer at the local op shop. Roslyn now can walk to the local supermarket and do her own shopping, as well as regularly attending the local gym.

With supports from Essential Personnel, every day Roslyn is becoming more and more independent and once Roslyn is settled into her new home, the need for 24/7 support will eventually decrease. For the Essential Personnel team, it is incredibly special watching and helping individuals like Roslyn, move towards and achieve their lifelong goals.

Coordination of Supports

Essential Personnel has a team of Support Coordinators, who assist customers with navigating and implementing their NDIS plan. A support coordinator will work with a customer to ensure a mix of supports are used to increase their capacity to, maintain relationships, manage service delivery tasks, live more independently and be included in their community.

Support Coordination focusses on:

- Addressing barriers to participation, and
- Resolving service delivery issues
- Implementation of all supports in the plan, including informal, mainstream and community, as well as funded supports.
- Management of multiple/complex supports from a range of providers which intersect with mainstream services.
- Crisis resolution and developing resilience.



Property Care

Property Care 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 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:

"The Property Care team have done an outstanding job in restoring the extensive gardens at Muresk to their former glory! I can see a remarkable difference in the quality of the work being undertaken under this new contract. The team work diligently and professionally and take enormous pride in their work. I give my heartfelt thanks for their tremendous work."

- Prue Jenkins, General Manager of Muresk Institute

Property Care Team

Our Property Care team have achieved some massive milestones over the past couple of years. Four of our gardening assistants have just reached their 10-year mark of employment with the company. With all employees loving what they do, they are all aiming to hit the 15-year milestone.

The Property Care supervisors have taught all their employee's valuable workplace skills along with allowing them to bring purpose to their life. Every day the Property Care employees are excited to jump on their favourite machinery, the lawn mowers, something that has taken many of the employee's years to be able to confidently operate.

Being a part of Essential Personnel Property Care team provides a sense of inclusivity and worth for all involved.

It allows the employees to gain valuable experience and an opportunity that may not have been available due to their disabilities.

Essential Personnel would like to say a massive thank you to; Mark and Bruce whom have reached 10 years working for the Property Care team.

Quality and Assurance

Our Quality Assurance team ensure that our processes and services are not just operating within the required rules and regulations, but also that our services are performing well within the disability sector.

As well as our internal quality assurance processes, every year we also commission SAI Global to conduct an audit on our Disability Employment Services. The aim is to determine if we comply with the National Standards for Disability Services and to gather feedback on our performance.

This year we received an excellent findings from the report. The report also includes quotes from interviewed customers, chosen at random.

"The Employment Coordinator is lovely. Helpful and very resourceful – knows what they're doing – understands the person on the other side and listens." – Customer

"Compared to my prior experiences, they're very good, they go above and beyond what they have to do." – Customer

We also received feedback from a Lifestyle Service Quality Policy and Procedure Audit conducted December 2019, stating that our services staff should be commended for applying the Standards to the organisation's policies and procedures, and this demonstrated meeting the Nation Standards for Disability Services. The evaluation was carried out by the Department of Communities Disability Services.



Cambodia

Essential Personnel Cambodia (EPC) is an Not-For-Profit organisation based in Phnom Penh that assists young Cambodians with disabilities through education and vocational training, leading to employment and independence. Our involvement was to work alongside Essential Personnel Cambodia with a commitment to give financial support until the organisation was viable.

Some of the programs we have assisted with in the past year:

- Assisting 15 students to engage in university studies. This program provides financial assistance to each student, paying school fees, providing uniforms, school books, transport, social interaction and accommodation for four of the young women.
- Outreach services for 30 young people in the rural community to attend school by providing financial assistance, uniform and transport.
- Three day training workshop to assist the young people to be job ready and seek employment. Last year 108 students attended the training workshop and 38 now have employment.

EPC now receives a variety of long term funding streams, which means that it is now sustainable without Essential Personnel's financial contribution. We continue to provide advice and support, and wish EPC all the best with the great work they continue to do, providing supports to young people with disabilities.



Financial statements

Finance Committee Chairperson's report

Year Ended 30 June 2020

Our financial results have continued to improve during the year ended 30 June 2020.

The improvement is the result of significant work by our CEO Dawn McAleenan, our finance manager Marian Zhao, senior managers and staff in not only ensuring we provide a first rate service but also ensuring our processes are efficient and effective and income from funding sources maximised.

The results indicate the following improvement from the year ended 30 June 2017 to 30 June 2020:

	2017 \$	2018 \$	2019 \$	2020 \$
Gross Revenue from Services	5,938,000	5,776,000	5,776,000	6,032,000
Net Profit	172,696	-183,491	458,530	787,105
Net Profit before Depreciation	350,151	-19,974	593,552	904,670

In 2018, Keogh Bay Consulting were engaged to prepare a financial analysis. Their report drew attention to our need to:

1. Substantially improve our working capital (ie. the amount of current assets less the current liabilities) and our current ratio (ie. current assets divided by current liabilities) to ensure our organisation can weather a financial crisis should it arise.
2. Establish a net profit target before depreciation of 10% of gross revenue as this was generally considered normal for our type of business.

Financial Statement Analysis:

	2017 \$	2018 \$	2019 \$	2020 \$
Gross Revenue from Services	5,938,000	5,776,000	5,776,000	6,032,000
Net Profit before Depreciation	350,151	-19,974	593,552	904,670
Net Profit as % of Revenue	5%	0%	10%	14%
Current Assets	500,742	471,221	1,340,151	2,297,216
Current Liabilities	627,325	728,663	748,042	821,013
Working Capital	-126,583	-257,442	592,109	1,476,203
Current Ratio	0.8	0.6	1.8	2.8

Substantial improvement in working capital and the current ratio during the years ended 30 June 2019 and 2020 provide a strong financial base to ensure the effective delivery and potential expansion of services in the future.

The net profit to revenue percentage has also improved in 2019 and 2020.

The positive financial results have been achieved in spite of the effects of COVID-19. The impact from loss of income due to the pandemic particularly in Employment Services was carefully managed. Extra expenditure was incurred to ensure Covid compliant processes were established and enforced. The lower revenue and extra expenditure was more than offset by Job Keeper and PAYG Cash Flow Boost receipts.

As Chairman of the Finance Committee, I sincerely thank Dawn, Marian and the managers and staff for their efforts in overcoming the threat of COVID-19 to our organisation and achieving our impressive financial results.

Geoff Hall

Essential Personnel Finance Committee Chairman

AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC
ABN 73 049 570 899
BALANCE SHEET
AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash	2	1,936,237	1,243,100
Prepayment	3	98,422	33,955
Receivables	4	262,557	63,096
Total Current Assets		2,297,216	1,340,151
NON-CURRENT ASSETS			
Land, Buildings & Improvements	5	1,552,871	1,590,914
Motor Vehicles	5	164,964	229,287
Plant & Equipment	5	73,212	59,073
Furniture & Fittings	5	34,221	42,983
Total Non-Current Assets		1,825,268	1,922,257
TOTAL ASSETS		4,122,484	3,262,408
CURRENT LIABILITIES			
Accounts Payable	6	238,465	356,447
Funding in Advance	7	112,905	-
Loans	8	68,534	31,325
Provisions	9	401,109	360,270
Total Current Liabilities		821,013	748,042
TOTAL LIABILITIES		821,013	748,042
NET ASSETS		3,301,471	2,514,366
Represented by:			
ACCUMULATED FUNDS		3,301,471	2,514,366

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 2020

	2020 \$	2019 \$
SERVICE INCOME		
DSC - Funding	313,530	1,666,624
DSS - Funding	2,415,994	2,547,246
NDIS Funding	2,143,539	1,086,339
Fees for Clients	269,186	252,384
Others	889,818	223,015
Total Service Income	6,032,067	5,775,609
SERVICE EXPENDITURE		
Cost of Sales	23,485	8,943
Insurance	165,902	74,866
Respite Care	-	359
Salaries & Wages	3,731,704	3,602,837
Staff Entitlement	40,837	44,605
Superannuation	321,360	326,232
Others	865,052	1,315,889
Total Service Expenditure	5,148,340	5,373,730
SERVICE SURPLUS/(DEFICIT)	883,726	401,878
NON-SERVICE INCOME		
Bank Interest	20,232	10,279
Profit from Disposal of Non-current Assets	5,717	258,302
Total Non-service Income	25,949	268,581
NON-SERVICE EXPENDITURE		
Depreciation	117,565	135,022
Loss from Disposal of Non-current Assets	689	70,621
Other	4,317	6,286
Total Non-service Expenditure	122,571	211,929
NON-SERVICE SURPLUS/(DEFICIT)	(96,621)	56,652
TOTAL SURPLUS/(DEFICIT)	787,105	458,530

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 2020**

	Retained Earnings \$
Balance as at 1 July 2018	2,055,836
Net Deficit attributable to the Association for the year	458,530
Prior year adjustment	-
Balance at 30 June 2019	<u>2,514,366</u>
Net Surplus for the year	787,105
Prior year adjustment	-
Balance at 30 June 2020	<u>3,301,471</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 2020

		2020 \$	2019 \$
Cash Flow From Operating Activities			
Receipts from customers		5,962,430	5,648,164
Payments to suppliers and employees		(5,306,870)	(5,231,678)
Interest received		20,232	10,279
Interest paid		(4,317)	(6,286)
Net cash provided by (used in) operating activities	10	<u>671,475</u>	<u>420,479</u>
Cash Flow From Investing Activities			
Proceeds from sale of assets		17,273	580,877
Equipment purchased during the year		(32,820)	(137,197)
		<u>(15,547)</u>	<u>443,680</u>
Cash Flow From Financing Activities			
Repayment Bankwest Mortgage / Shed loan		-	(73,510)
Proceeds from borrowings (Insurance Premium)		37,209	31,325
		<u>37,209</u>	<u>(42,185)</u>
Net increase (decrease) in cash held		693,137	821,974
Cash at the beginning of the year		1,243,100	421,126
Cash at the end of the year	2	<u>1,936,237</u>	<u>1,243,100</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 2020

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 entity.

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 otherwise stated, have been adopted in the preparation of this financial report.

The accounting policy adopted below are not entirely consistent with the Australian Accounting Standards (AAS). Hence, the financial statements overall do not comply with the recognition and measurement requirements of the AAS. The organisation is yet to assess the AAS, which the financial statements do not comply.

a) Fixed Assets

The fixed assets are brought to account at cost. The depreciable amount of these assets except land is 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 valuation rates.

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 2020

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 USD 10,000 to Essential Personnel Cambodia in financial year ended 30 June 2020.

i) COVID-19 Funding

The association received \$453,000 JobKeeper payment as eligible employer and cash flow boosts \$62,500 in the financial year ended 30 June 2020. Resilience Digital Grant \$2,500 was provided by City of Canning.

The association also received \$83,215 direct grant from Lotterywest.

NOTE 2: CASH

Petty Cash	1,287	1,211
Cash Management Accounts	1,124,475	286,039
Term Deposits	810,474	955,850
	<u>1,936,237</u>	<u>1,243,100</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 2020

NOTE 3: PREPAYMENT

Prepayment	98,422	33,955
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NOTE 4: ACCOUNTS AND OTHER RECEIVABLE

Trade Debtors	233,571	51,030
Others	12,500	(4,420)
Rental Bond	16,486	16,486
	<u>262,557</u>	<u>63,096</u>

NOTE 5: PLANT & EQUIPMENT

a) Land, Buildings & Improvements	1,882,392	1,880,407
Less Accumulated Depreciation	<u>(329,522)</u>	<u>(289,493)</u>
	<u>1,552,871</u>	<u>1,590,914</u>
b) Motor Vehicles	604,675	694,345
Less Accumulated Depreciation	<u>(439,711)</u>	<u>(465,057)</u>
	<u>164,964</u>	<u>229,287</u>
c) Plant & Equipment	247,018	215,950
Less Accumulated Depreciation	<u>(173,806)</u>	<u>(156,878)</u>
	<u>73,212</u>	<u>59,073</u>
d) Furniture & Fittings	167,325	167,559
Less Accumulated Depreciation	<u>(133,104)</u>	<u>(124,576)</u>
	<u>34,221</u>	<u>42,983</u>
	<u>1,825,267</u>	<u>1,922,257</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 2020

NOTE 6: ACCOUNTS PAYABLE

PAYG Tax Payable	46,930	39,240
Employee Expenses Payable	8,445	22,074
GST Payable	25,007	21,630
Trade Creditors	40,112	197,603
Accrued Wages	117,971	75,900
	<u>238,465</u>	<u>356,447</u>

NOTE 7: Funding in Advance

Funding in Advance DSC	29,690	-
Grants in Advance	83,215	-
	<u>112,905</u>	<u>-</u>

NOTE 8: LOANS

Insurance Premium Funding	68,534	31,325
	<u>68,534</u>	<u>31,325</u>

NOTE 9: PROVISIONS

Provision for Annual Leave	258,220	246,275
Provision for Long Service Leave	142,889	113,995
	<u>401,109</u>	<u>360,270</u>

**NOTE 10: RECONCILIATION OF NET CASH FLOW PROVIDED BY/USED
IN OPERATING ACTIVITIES TO OPERATING SURPLUS/(DEFICIT)**

Operating Surplus / (Deficit)	787,105	458,530
Non cash amounts		
Depreciation	117,565	135,022
Prior year adjustment	-	-
Profit on sale of fixed assets	(5,028)	(187,681)
Other Non Cash amount	-	-
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	(263,928)	(46,957)
Increase (decrease) in trade and other payables	(117,982)	16,959
Increase (decrease) in provisions	153,743	44,605
Net cash provided by operating activities	<u>671,475</u>	<u>420,479</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:

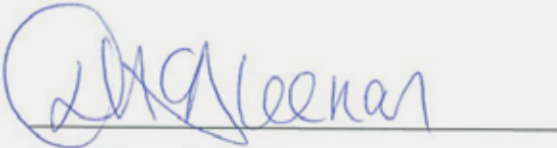
1. Presents a true and fair view of the financial position of the Avon Community Employment Support Centre Inc as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board and are in accordance with the *Australian Charities and Non-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 Non-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 20 day of October 2020

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 2020, 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 2020 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.

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.

LEANNE K OLIVER CPA
Director

Audit partners Australia
BELMONT WA

Dated at Perth, Western Australia this 23rd October 2020

Employee Anniversary Congratulations

We like to celebrate the many long term employees within our organisation.
Here are those who celebrated 10 years with us during the 2019/20 financial year.

Bruce Clark
Petrina Lane
Wendy Hoare
Mark Wilson

Special **thank you** to

APM	Newtrend
Australian Grain Technology	NDS
Bradken Foundry	NDIS
Central Regional TAFE Northam	Northam Bearings
CSBP	Ready, Steady Golf – MTI Golf Academy
Department of Communities	Rise Network
Department of Social Services	Share and Care
Dream Builders	SAI Global
Kira Community Services	WADIS
Landcorp	Wheatbelt Medical Centre
Moora's Men Shed	Wheatbelt Mental Health Service
Muresk Institute	



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