

**AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC**  
**ABN 73 049 570 899**

**AUDITED FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 June 2021**

**AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC**  
**ABN 73 049 570 899**

**AUDITED FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 June 2021**

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**AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC**  
**ABN 73 049 570 899**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2021**

|                                  | Notes | 2021<br>\$              | 2020<br>\$              |
|----------------------------------|-------|-------------------------|-------------------------|
| <b>CURRENT ASSETS</b>            |       |                         |                         |
| Cash                             | 2     | 3,840,735               | 1,936,237               |
| Prepayment                       | 3     | 140,890                 | 98,422                  |
| Receivables                      | 4     | 175,093                 | 262,557                 |
| <b>Total Current Assets</b>      |       | <u>4,156,718</u>        | <u>2,297,216</u>        |
| <b>NON-CURRENT ASSETS</b>        |       |                         |                         |
| Land, Buildings & Improvements   | 5     | 1,513,128               | 1,552,871               |
| Motor Vehicles                   | 5     | 103,236                 | 164,964                 |
| Plant & Equipment                | 5     | 99,636                  | 73,212                  |
| Furniture & Fittings             | 5     | 32,482                  | 34,221                  |
| <b>Total Non-Current Assets</b>  |       | <u>1,748,482</u>        | <u>1,825,268</u>        |
| <b>TOTAL ASSETS</b>              |       | <b>5,905,200</b>        | <b>4,122,484</b>        |
| <b>CURRENT LIABILITIES</b>       |       |                         |                         |
| Accounts Payable                 | 6     | 524,604                 | 238,465                 |
| Funding in Advance               | 7     | 126,673                 | 112,905                 |
| Loans                            | 8     | -                       | 68,534                  |
| Provisions                       | 9     | 437,059                 | 401,109                 |
| <b>Total Current Liabilities</b> |       | <u>1,088,336</u>        | <u>821,013</u>          |
| <b>TOTAL LIABILITIES</b>         |       | <u><b>1,088,336</b></u> | <u><b>821,013</b></u>   |
| <b>NET ASSETS</b>                |       | <u><b>4,816,864</b></u> | <u><b>3,301,471</b></u> |
| Represented by:                  |       |                         |                         |
| <b>ACCUMULATED FUNDS</b>         |       | <u><b>4,816,864</b></u> | <u><b>3,301,471</b></u> |

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 2021**

|  | <b>2021</b>      | <b>2020</b>      |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>SERVICE INCOME</b>                      |                  |                  |
| DSC - Funding                              | (28,024)         | 313,530          |
| DSS - Funding                              | 2,150,492        | 2,415,994        |
| NDIS Funding                               | 1,901,916        | 2,143,539        |
| Fees for Clients                           | 270,549          | 269,186          |
| Others                                     | 2,658,511        | 889,818          |
| <b>Total Service Income</b>                | <b>6,953,444</b> | <b>6,032,067</b> |
| <b>SERVICE EXPENDITURE</b>                 |                  |                  |
| Cost of Sales                              | 20,276           | 23,485           |
| Insurance                                  | 203,053          | 165,902          |
| Respite Care                               | -                | -                |
| Salaries & Wages                           | 3,708,303        | 3,731,704        |
| Staff Entitlement                          | 35,951           | 40,837           |
| Superannuation                             | 317,024          | 321,360          |
| Others                                     | 1,043,947        | 865,052          |
| <b>Total Service Expenditure</b>           | <b>5,328,554</b> | <b>5,148,340</b> |
| <b>SERVICE SURPLUS/(DEFICIT)</b>           | <b>1,624,890</b> | <b>883,726</b>   |
| <b>NON-SERVICE INCOME</b>                  |                  |                  |
| Bank Interest                              | 6,369            | 20,232           |
| Profit from Disposal of Non-current Assets | 13,713           | 5,717            |
| <b>Total Non-service Income</b>            | <b>20,082</b>    | <b>25,949</b>    |
| <b>NON-SERVICE EXPENDITURE</b>             |                  |                  |
| Depreciation                               | 124,432          | 117,565          |
| Loss from Disposal of Non-current Assets   | 2,427            | 689              |
| Other                                      | 2,720            | 4,317            |
| <b>Total Non-service Expenditure</b>       | <b>129,579</b>   | <b>122,571</b>   |
| <b>NON-SERVICE SURPLUS/(DEFICIT)</b>       | <b>(109,497)</b> | <b>(96,621)</b>  |
| <b>TOTAL SURPLUS/(DEFICIT)</b>             | <b>1,515,393</b> | <b>787,105</b>   |

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 2021**

|   | <b>Retained<br/>Earnings<br/>\$</b> |
|---|-------------------------------------|
| <b>Balance as at 1 July 2019</b>                                    | 2,514,366                           |
| <b>Net Deficit attributable to the<br/>Association for the year</b> | 787,105                             |
| <b>Prior year adjustment</b>  | -                                   |
| <b>Balance at 30 June 2020</b>                                      | <u><b>3,301,471</b></u>             |
| <b>Net Surplus for the year</b>                                     | 1,515,393                           |
| <b>Prior year adjustment</b>  | -                                   |
| <b>Balance at 30 June 2021</b>                                      | <u><b>4,816,864</b></u>             |

**AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC**  
**ABN 73 049 570 899**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|   | Notes | 2021<br>\$              | 2020<br>\$              |
|---|-------|-------------------------|-------------------------|
| <b>Cash Flow From Operating Activities</b>          |       |                         |                         |
| Receipts from customers                             |       | 7,043,665               | 5,962,430               |
| Payments to suppliers and employees                 |       | (5,037,921)             | (5,306,870)             |
| Interest received                                   |       | 6,369                   | 20,232                  |
| Interest paid                                       |       | (2,720)                 | (4,317)                 |
| Net cash provided by (used in) operating activities | 10    | <u><b>2,009,393</b></u> | <u><b>671,475</b></u>   |
| <b>Cash Flow From Investing Activities</b>          |       |                         |                         |
| Proceeds from sale of assets                        |       | 39,091                  | 17,273                  |
| Equipment purchased during the year                 |       | (75,452)                | (32,820)                |
|   |       | <u><b>(36,361)</b></u>  | <u><b>(15,547)</b></u>  |
| <b>Cash Flow From Financing Activities</b>          |       |                         |                         |
| Repayment Bankwest Mortgage / Shed loan             |       | -                       | -                       |
| Proceeds from borrowings ( Insurance Premium)       |       | (68,534)                | 37,209                  |
|   |       | <u><b>(68,534)</b></u>  | <u><b>37,209</b></u>    |
| Net increase (decrease) in cash held                |       | 1,904,498               | 693,137                 |
| Cash at the beginning of the year                   |       | 1,936,237               | 1,243,100               |
| Cash at the end of the year                         | 2     | <u><b>3,840,735</b></u> | <u><b>1,936,237</b></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 2021**

**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.

**AVON COMMUNITY EMPLOYMENT SUPPORT CENTRE INC**  
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**NOTES TO, AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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 expenses. Accordingly, receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**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) COVID-19 Funding**

The association received \$959,150 JobKeeper payment as eligible employer and cash flow boosts \$37,500 in the financial year ended 30 June 2021.

|  | 2021 | 2020 |
|--|------|------|
|  | \$   | \$   |

**NOTE 2: CASH**

|                          |           |           |
|--------------------------|-----------|-----------|
| Petty Cash               | 1,955     | 1,287     |
| Cash Management Accounts | 2,525,089 | 1,124,475 |
| Term Deposits            | 1,313,691 | 810,474   |
|                          | 3,840,735 | 1,936,237 |



**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 2021**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>NOTE 3: PREPAYMENT</b>                    |             |             |
| Prepayment                                   | 140,890     | 98,422      |
| <b>NOTE 4: ACCOUNTS AND OTHER RECEIVABLE</b> |             |             |
| Trade Debtors                                | 157,119     | 233,571     |
| Others                                       | -           | 12,500      |
| Rental Bond                                  | 17,974      | 16,486      |
|  | 175,093     | 262,557     |
| <b>NOTE 5: PLANT &amp; EQUIPMENT</b>         |             |             |
| a) Land, Buildings & Improvements            | 1,882,392   | 1,882,392   |
| Less Accumulated Depreciation                | (369,264)   | (329,522)   |
|  | 1,513,128   | 1,552,871   |
| b) Motor Vehicles                            | 402,046     | 604,675     |
| Less Accumulated Depreciation                | (298,810)   | (439,711)   |
|  | 103,236     | 164,964     |
| c) Plant & Equipment                         | 316,545     | 247,018     |
| Less Accumulated Depreciation                | (216,909)   | (173,806)   |
|  | 99,636      | 73,212      |
| d) Furniture & Fittings                      | 173,250     | 167,325     |
| Less Accumulated Depreciation                | (140,768)   | (133,104)   |
|  | 32,482      | 34,221      |
|  | 1,748,482   | 1,825,267   |

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 2021**

|   | 2021                    | 2020                  |
|---|-------------------------|-----------------------|
|   | \$                      | \$                    |
| <b>NOTE 6: ACCOUNTS PAYABLE</b>   |                         |                       |
| PAYG Tax Payable  | 34,784                  | 46,930                |
| Employee Expenses Payable   | 26,917                  | 8,445                 |
| GST Payable   | 58,775                  | 25,007                |
| Trade Creditors   | 178,981                 | 40,112                |
| Accrued Expenses  | 225,146                 | 117,971               |
|   | <u>524,604</u>          | <u>238,466</u>        |
| <br>  |                         |                       |
| <b>NOTE 7: Funding in Advance</b>   |                         |                       |
| Funding in Advance DSC  | -                       | 29,690                |
| Grants in Advance   | 126,673                 | 83,215                |
|   | <u>126,673</u>          | <u>112,905</u>        |
| <br>  |                         |                       |
| <b>NOTE 8: LOANS</b>  |                         |                       |
| Insurance Premium Funding   | -                       | 68,534                |
|   | <u>-</u>                | <u>68,534</u>         |
| <br>  |                         |                       |
| <b>NOTE 9: PROVISIONS</b>   |                         |                       |
| Provision for Annual Leave  | 274,650                 | 258,220               |
| Provision for Long Service Leave  | 162,409                 | 142,889               |
|   | <u>437,059</u>          | <u>401,109</u>        |
| <br>  |                         |                       |
| <b>NOTE 10: RECONCILIATION OF NET CASH FLOW PROVIDED BY/USED<br/>IN OPERATING ACTIVITIES TO OPERATING SURPLUS/(DEFICIT)</b> |                         |                       |
| Operating Surplus / (Deficit)   | 1,515,393               | 787,105               |
| Non cash amounts  |                         |                       |
| Depreciation  | 124,432                 | 117,565               |
| Prior year adjustment   | -                       | -                     |
| Profit on sale of fixed assets  | (11,286)                | (5,028)               |
| Other Non Cash amount   | -                       | -                     |
| Changes in assets and liabilities:  |                         |                       |
| (Increase) decrease in trade and other receivables  | 44,997                  | (263,928)             |
| Increase (decrease) in trade and other payables   | 286,138                 | (117,982)             |
| Increase (decrease) in provisions   | 49,719                  | 153,743               |
| <b>Net cash provided by operating activities</b>  | <u><b>2,009,393</b></u> | <u><b>671,475</b></u> |

The accompanying notes form part of these financial statements

**AVON COMMUNITY EMPLOYEMENT 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 2021 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 1<sup>st</sup> day of October 2021

## **Auditor's Independence Declaration**

### **To the Board of Avon Community Employment Support Centre Inc**

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profit Commission Act 2012, as lead auditor for the audit of Avon Community Employment Support Centre Inc for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Australian Charities and Not for Profit Commission Act 2012 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



LEANNE OLIVER CPA RCA  
DIRECTOR  
RCA 463021

AUDIT PARTNERS AUSTRALIA  
EAST VICTORIA PARK

Dated at Perth, Western Australia this 14<sup>th</sup> October 2021

## 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 2021, 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 2021 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  
EAST VICTORIA PARK WA

Dated at Perth, Western Australia this 14<sup>th</sup> October 2021