

## Independent Auditor's Report

The Members  
Permanent Care And Adoptive Families

We have audited the accompanying special purpose financial statements ("statements") comprising a balance sheet, profit and loss statement and accompanying notes and the statement by the Board of Directors of Permanent Care and Adoptive Families for the year ended 30 June 2014.

### Directors' Responsibility

The Directors have determined that the accounting policies adopted are consistent with the financial reporting requirements of the Associations Incorporation Act 1981 in Victoria and are appropriate to meet the needs of the members.

The Directors are responsible for the preparation and presentation of the statements in accordance with the accounting policies enumerated in note 1. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and presentation of the statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The financial statements have been prepared in accordance with the accruals basis of accounting.

These statements may not be suitable for another purpose. Our report is intended solely for the members of Post Placement Support Service Inc and should not be distributed to or used by other parties.

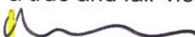
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

We are independent of the Association and in conducting our audit we have met the independence requirements of the Australian Professional Ethical Standards.

### Auditor's Opinion

In our opinion, the statements of Permanent Care and Adoptive Families for the year ended 30 June 2014, gives a true and fair view in accordance with the bases of accounting commonly adopted by similar organisations.

  
Philip Sulman

15 October 2014

570 Glenhuntly Road  
Elsternwick 3185

21/10/2014

The Committee  
Permanent Care and Adoptive Families  
Level 5, 50 Market Street  
MELBOURNE 3000

**Audit report – 30 June 2014**

Enclosed herewith is our independent auditor's report dated 15 October 2014, attached to a final signed copy of the balance sheet, Profit & Loss statement and accounting policy notes at 30 June 2014 (and a director's confirmation).

Please would you check with the department of Consumer Affairs Victoria, whether your Association is still required to have an (annual) independent audit, as the rules and regulations were recently amended to exempt certain smaller not- for- profit organizations from having an annual audit.

The box with all your lever arch files has also been returned to you by courier today.

We enclose our bill for professional services.

Finally, we thank Grace and the other members of the committee for their cooperation and assistance during our annual audit.

Kind regards,



Philip Sulman  
P. SULMAN & ASSOCIATES

**PERMANENT CARE AND ADOPTIVE FAMILIES**

**BALANCE SHEET**

**AS AT 30 JUNE 2014**

June 30 2014

June 30 2013

**ASSETS**

**Current Assets**

Bendigo Trading Account	48,042.98	3,048.66
ME Bank	105,317.69	566,752.37
ME Bank Term Deposit	250,000.00	200,000.00
Bendigo Bank (Security Bond)	7,013.31	6,376.54
Bendigo Oxfam Account	0.07	0.00
Petty Cash	200.00	200.00
Cash Float	100.00	150.00
Prepayments	279.14	0.00
Accounts Receivable	125,740.00	795.00
<b>Total Current Assets</b>	<u><u>536,693.19</u></u>	<u><u>777,322.57</u></u>

**Fixed Assets**

**Plant and Equipment**

Plant and Equipment	14,935.04	18,583.28
Plant and Equipment Accum Dep	(12,503.23)	(12,694.79)
<b>Total Plant and Equipment</b>	<u><u>2,431.81</u></u>	<u><u>5,888.49</u></u>

**Total Assets**

<u><u>539,125.00</u></u>	<u><u>783,211.06</u></u>
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**LIABILITIES**

**Current Liabilities**

Deferred Grant Income	278,234.73	570,666.47
Bendigo Bank MasterCard Credit Card	1,521.02	994.71
Accounts Payable	(79.85)	1,883.58
GST Liabilities	(746.74)	(1,287.86)
Super Guarantee Payable	3,871.31	7,178.71
PAYG Withholding Payable	1,740.00	10,266.00
S&W Termination Pay Accrued	3,550.00	13,204.62
S&W Annual Leave Accrued	6,858.30	17,803.33
Revenue Received in Advance	152.50	0.00
Fees & Charges received in Advance	3,400.00	4,089.75

**Total Current Liabilities**

<u><u>298,501.27</u></u>	<u><u>624,799.31</u></u>
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**Total Liabilities**

<u><u>298,501.27</u></u>	<u><u>624,799.31</u></u>
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**Net Assets**

<u><u>240,623.73</u></u>	<u><u>158,411.75</u></u>
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**EQUITY**

Retained Earnings brought forward	158,411.75	146,228.51
Current Year Income	82,211.98	12,183.24
<b>Total Equity</b>	<u><u>240,623.73</u></u>	<u><u>158,411.75</u></u>



Health & Safety	219.09	331.70
House Keeping	144.15	280.92
Legal fees & charges	0.00	122.73
Management fees	0.00	630.00
Meals & expenses	325.65	18.00
Meeting expense	724.89	1,339.85
Phone, Fax & Internet	2,947.18	5,142.65
Postage & Delivery	585.83	693.89
PPRC Book Purchases	2,664.50	4,503.20
PPRC Postage Paid	376.89	979.84
Recruitment	723.18	413.64
Re-Locating/Moving Expenses	954.72	0.00
Rent	33,261.25	31,518.00
Repairs & Maintenance	941.36	723.59
Security	221.36	0.00
Stationary & Printing	8,612.42	8,171.96
Subscriptions & Memberships	1,187.79	1,571.14
Utilities: gas, water, elect	1,733.98	3,083.02
Work Cover Premiums	4,323.71	5,692.69
Volunteer Costs	47.72	0.00
<b>Total Administration &amp; Services Expenses</b>	<u><b>153,562.37</b></u>	<u><b>130,344.98</b></u>
<b>Total Expenses</b>	<b>420,343.17</b>	<b>515,318.86</b>
<b>Operating Income (loss) for the Year</b>	<u><b>67,218.91</b></u>	<u><b>(6,163.17)</b></u>
<b>Other Income</b>		
Interest Income	18,710.00	22,686.48
<b>Other Expenses</b>		
Depreciation Expense	3,716.93	4,340.07
<b>Total Other Expenses</b>	<u><b>3,716.93</b></u>	<u><b>4,340.07</b></u>
<b>Net Income for the Year</b>	<u><u><b>82,211.98</b></u></u>	<u><u><b>12,183.24</b></u></u>

**PERMANENT CARE AND ADOPTIVE FAMILIES**

**PROFIT AND LOSS**

**FOR THE YEAR ENDED 30 JUNE 2014**

	<u>June 30 2014</u>	<u>June 30 2013</u>
<b>Income</b>		
Gifts & Donations	388.50	284.29
Grants and Funding	473,621.11	503,371.53
Trading/ operating activities	17,047.42	12,067.32
Miscellaneous Income	1,998.25	105.00
<b>Total Income</b>	<u>493,055.28</u>	<u>515,828.14</u>
<b>Cost of Sales</b>		
Venue Hire	624.32	2,519.63
Catering	1,621.22	1,935.72
Travel & Accommodation	2,302.73	1,313.54
Printing & Materials	741.41	455.96
Sundry Expenses	203.52	447.60
<b>Total Cost of Sales</b>	<u>5,493.20</u>	<u>6,672.45</u>
<b>Gross Profit</b>	<b>487,562.08</b>	<b>509,155.69</b>
<b>Expenses</b>		
<b>Employment Expenses</b>		
CEO Wages	81,269.98	106,453.19
Training Manager Wages	53,601.91	51,296.28
Service Dev Manager Wages	29,379.89	38,541.76
Office Manager Wages	47,064.80	57,301.72
Other Staff Wages	8,643.77	2,030.00
Project Worker Wages	0.00	37,525.49
Programs & Comm Coord Wages	27,861.67	24,295.51
Super Guarantee Expense	21,676.82	28,697.09
Termination payments (accrual)	(9,654.62)	13,204.62
Annual Leave Expenses (accrual)	(2,384.63)	20,721.49
Training & development - Staff	2,779.48	4,358.18
Administration Officer	5,716.65	0.00
Travel Expenses	825.08	548.55
<b>Total Employment Expenses</b>	<u>266,780.80</u>	<u>384,973.88</u>
<b>Administration &amp; Services Expenses</b>		
Accounting Fees	81.82	195.00
Advertising & Promotion	1,849.79	2,211.19
Audit Fees	2,215.00	2,950.00
Bank Charges	234.34	398.53
Board & governance expense	3,216.46	131.82
Books & Publications	438.41	1,814.16
Business & Liability Policy - insurance	3,255.56	3,355.55
Cleaning & Maintenance	550.00	1,215.08
Client Support Consumables	255.90	370.13
Computer expenses	3,532.35	1,197.50
Consulting Fees	44,897.01	6,354.62
Credit Card Fees	63.10	48.00
Entertainment costs	91.41	273.64
Planning, reporting and evaluation	19,320.00	27,696.19
Expensed Equipment (<\$300.00)	642.65	940.49
FCAV Helpline	12,730.00	15,372.50
Fundraising Expenses	0.00	397.82
Government Fees	192.90	205.94



**PERMANENT CARE AND ADOPTIVE FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2014**

**1. Statement of Significant Accounting Policies**

This financial report is a special purpose financial report, prepared in order to satisfy the financial reporting requirements of the Association Incorporation Act (Vic) 1981, to prepare a financial report and for use by the executive and members of the Association. The board has determined that the Association is not a reporting entity.

This financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) 1981 and relevant Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historic cost and does not take into account changing money values, or accept where specifically stated, current valuations of non current assets.

**a) Revenue Recognition**

Revenue is recognised as follows:

- Grants are recognised as utilised over the duration of the project.
- All other income is recognised on invoice.

**b) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax, 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 asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

**c) Income Tax**

The main objective of the association is to provide education and support services to ensure better outcomes for children and families in kinship care, permanent care and adoption. The association is a self assessed not for profit organization and in terms of the Income Tax Act, it is therefore exempt from paying income tax. No income tax has therefore been provided in these financial statements.

**d) Provisions for Termination Pay and Annual Leave Entitlements**

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



PERMANENT CARE AND ADOPTIVE FAMILIES ("PCAF")

CONFIRMATION BY DIRECTORS

The Directors have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

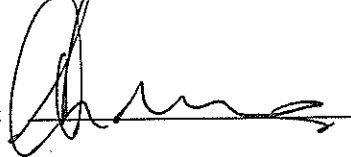
The Directors declare that:

- 1 The financial statements and notes present fairly the financial position of PCAF as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 At the date of this statement, there are reasonable grounds to believe that the PCAF will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors and signed on its behalf by:

Director: 

CHARLIE SALLOUM, TREASURER

Director: 

MICHAEL CASSINO

Date: 15/10/14