

2016-17

# annual report.

COLLABORATIVE

INNOVATIVE

PROGRESSIVE

## Who We Are

We are an independent, secular, not-for-profit organisation that supports the delivery of best practice, across the breadth of the community care sector.

## Our Purpose

We provide innovative solutions that connect and enable people to access community care choices. We do this through progressive leadership and collaboration.

## Our Values

- ◆ **Ethics** – demonstrating integrity and accountability in everything we do.
- ◆ **Excellence** – to be recognised as a leader in community care.
- ◆ **Dignity** – treating others the way we want to be treated, with fairness and respect.
- ◆ **Open-Mindedness** – encouraging creativity and curiosity, generating new approaches and expanding options.

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## Chair's Report

This year has seen the organisation firmly establish itself as an innovative frontrunner in technology under the leadership of our Executive Director, Jane Crowe. We have positioned Community Options Australia as a proactive and flexible organisation able to demonstrate high level competency in contract management, stakeholder engagement and strategic thinking.

In late 2016 the Board welcomed two new Directors, Dr Rosy Walia (Member-elected) and Sarah Richardson (Board-appointed). Both have contributed their expertise to governance, strategy and organisational leadership as we navigate Community Options Australia through the community sector reform environment.

During the year we regretfully accepted the resignation of Jenni Allan, whose deep sector knowledge and strong financial background contributed to the Board and to the Risk and Finance Committee (RFC). Nevertheless, under the guidance of Committee Chair, Jo Watters, together with Sarah Richardson, Jane and myself, the RFC maintained strong financial oversight and improved a number of processes, particularly in relation to reserves, risk management and relevant financial ratios. We are delighted with the final result of a surplus of \$88,106 for the financial year – testament to Jane and the team's commitment to ensuring value for money and efficient practice. Supporting our strong financial diligence, Community Options Australia engaged new accountants Lewis & Coble and we continue with our auditors LBW & Partners.

The Board established a Governance Committee, firstly under the leadership of Ben Graham, and now Kate McDougall. This Committee has enhanced our governance practice providing further structure to the Board and support to the Executive Director.

We have had significant success building the profile of Community Options Australia, particularly within government. Jane and her team contributed to a number of My Aged Care co-design workshops; they visited the Aged Care National Contact Centre; and Ken Johnson was credited for his input into new ComPacks Guidelines released in September 2016.

Jane and the team have worked hard to strengthen our quality service provision in all programs. During the latter half of 2016 a formal performance review was undertaken with RAS subcontractors to ensure contracted obligations in terms of response times and other KPIs were met.



Our technological capacity has been enhanced through the ongoing development of our ComPacks platform COsMoS, and our RAS Tracker software. Discussions during the year with IT companies Apple and YourLink evidence our strategic intent to lead IT innovation in the sector.

Our annual member survey indicated strong support for continued opportunities for collective tenders, and Jane has been proactive in offering opportunities to members. In excellent news to start off 2017-18, Community Options Australia is in discussions with the Commonwealth Department of Health to confirm engagement as the sole national contractor for the Continuity of Support (CoS) Programme – Individual Support Packages (ISP) Direct Funding, ensuring that older people with disability maintain their level of support.

It is with regret that I have decided to retire at the AGM and not offer myself for re-election. Five years with Community Options Australia – three as Board Chair – have been highly rewarding and I will miss the staff team and my Board colleagues immensely. Their commitment, perseverance and relentlessly positive attitudes have transformed the Community Options Australia I first joined in 2013, and I know that strategically the organisation is well placed to leverage a consolidated financial base, robust operating framework and high profile. It has been a pleasure serving Community Options Australia and I will follow its evolutionary progress with delight.

**Monique Cardon**

Chair, Community Options Australia

11th October 2017

## Executive Director's Report

Community Options Australia has been in a process of strategically rebuilding, of understanding our core competencies, of opening ourselves to opportunities and listening to the changing needs of the sector, and of solidifying the framework of the organisation, both in financial terms and in terms of consistent quality delivery of services.

In July 2016, this process commenced with new ComPacks subcontractor agreements, the launch of COsMoS (to replace CoMetrix), and a greater level of standardisation in the delivery of ComPacks via an extensive suite of standard operating procedures and templates. This was supported by the addition of subcontractor portals via our new website. COsMoS provides us with a flexible technology platform for improved reporting and functionality. The most obvious example of this being the rolling launch of online referrals, offering key benefits such as real-time updates on ComPacks availability, and a client feedback loop for hospital referrers. Last month we met with our subcontractors and we are confident that our network delivers responsive, consistent, high quality ComPacks packages. We pride ourselves in providing this combination of proven experience and progressive innovation.

Likewise, RAS looks very different from only twelve short months ago. From a meeting with our subcontractors in late May 2016, and a subsequent formal performance review, there has been a significant step-change in our RAS performance. Whilst this process may have been difficult at times, I would like to acknowledge our forward-thinking subcontractors for working with us on this journey. As of today, our network is well-positioned for the future delivery of RAS through to 2020, and with solid processes and open communication we have been able to focus on quality and client outcomes, most recently evidenced with wellness and reablement training for our assessors.

Much of our current success, as well as our platform for the future, is built on technology. But this technology is nothing without the people who make this possible, acknowledging our solid relationships with Optilyze, YourLink, and the team at Apple Australia.

As we move forward into 17/18, we are more able to clearly articulate our core strengths, and the unique benefits of our business model, including our:

- Reputation for excellence in contract management. In particular, as subject matter experts in ComPacks and RAS.
- Solid relationships with Government, and our broad range of stakeholders and partners.



- Strong coverage in NSW/ACT, with expanding coverage across other States and Territories.
- Network of local organisations, with local knowledge and people, delivering quality services to clients in their communities.
- Well-developed standard operating procedures, and reputation for best practice quality service delivery.
- Innovative use of technology.
- Independence from direct service delivery, offering flexibility for Government and our members.

Thank you to the members for responding so openly to the change process, and to the Board for being forward-thinking and accepting of balanced risk. I would like to take this opportunity to publicly thank Monique for her strategic insight, trust, and personal support and encouragement in her role as Chair.

A great organisation is nothing without a great team, and I would like to thank Ken, Jo, Eilidh, Yuri and Lana. Our small team punches well above its' weight. It is a truly special culture when you trust enough to challenge each other to be better, are open to sharing issues and collaborating to creatively problem-solve, never settling for the status quo. We do the hard things, because they are worth it.

**Jane Crowe**

Executive Director, Community Options Australia

6th October 2017

## Risk and Finance Committee Report

The Risk and Finance Committee (RFC) provides assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities for financial reporting, internal control structure, risk management system, and external audit functions. Whilst the ultimate responsibility rests with the Board, the RFC is a mechanism for focusing on this oversight.

The Committee welcomed a new member last year, Board Director Sarah Richardson, and farewelled former Board Director Jenni Allan. In order to understand the structure, controls, and types of transactions conducted by Community Options Australia and adequately assess risk, the RFC meetings were conducted on 27 September 2016, 17 October 2016, 19 November 2016, 13 January 2017, 21 February 2017, 21 March 2017, 18 April 2017, 24 May 2017, 20 June 2017, 29 August 2017, and 19 September 2017.

The Committee has received support and cooperation from management and has monitored the implementation of various enhancements that seek to support the achievements of Community Options Australia's objectives. During the year, the RFC continued to focus on monitoring through utilisation of financial ratios and refining the chart of accounts. The RFC assisted the Board in the introduction of a Reserves Policy to provide a framework to guide decision making on the Reserves that Community Options Australia establishes in furtherance of good governance and fiscal management, and in pursuit of the organisations core objectives, and is in the process of reviewing Community Options Australia's risk management framework.

The RFC has continued to liaise with LBW & Partners (auditors) and Lewis & Coble (accountants) to ensure that the nature and extent of audit procedures provide sufficient and appropriate assurances regarding Community Options Australia's financial activities. Following their recommendation, due to the nature of Community Options Australia's Government contracts and business model and in keeping with similar organisations, the Board agreed to move from Special Purpose to General Purpose Reduced Disclosure Requirements (RDR) Accounts.

Through improved reporting and processes I am confident Community Options Australia is establishing a comprehensive framework to adequately monitor and mitigate risk, and ensure sustainability in an ever-changing and increasingly competitive environment.



**Joanne Watters**

Risk & Finance Committee Chair, Community Options Australia

5th October 2017

## Programs Ken Johnson, Senior Program Manager

### ComPacks

Community Options Australia delivers ComPacks in 7 LHDs, and were responsible for one third of all ComPacks packages provided in 16/17 for NSW Health.

Highlights include:

- Over 27,000 hours of Assessment and Case Management provided
- Over 50,000 hours of Services provided
- Over 10,000 transport trips provided
- Over 7,000 meals provided
- 80% of packages were delivered to clients over the age of 65 (range newborn – 107)
- Client satisfaction rating of over 94%
- Consistently exceeding all timeliness KPIs

On 1st July 2016, we launched COsMoS, to replace CoMetrix. This has allowed us to expand our reporting capabilities, increase our responsiveness, and ultimately improve the quality delivery of services. This includes the rolling launch of on-line referrals in some LHDs, which provides real-time package availability, and client feedback loops for hospital referrers. On the same day, new subcontractor agreements, along with a range of standard operating procedures and templates, came into effect.

Community Options Australia was also invited by NSW Health to contribute to a review of the ComPacks Guidelines, which were re-published in September 2016.

Community Options Australia values the work of all our subcontractors in delivering a quality program across the State. Without them the delivery of the ComPacks program would not be possible. Community Options Australia's Board of Directors and management staff would like to acknowledge and thank each one.

### ComPacks Subcontractors 16/17

Accessible Living Options

Anglicare

Bega Valley Shire Council

Booroongen Djugun Limited

CatholicCare Sydney

Coast Community Connections

Community Care Options Inc

Eurobodalla Shire Council

HammondCare

Interchange Australia

LifeDesigns NSW

Macleay Community Gateway

Mid North Coast Local Health District

Snowy Monaro Regional Council



Thank you to you and your wonderful team for all your assistance and encouragement following my discharge from hospital. Every visit made me feel more like I was able to cope just that little bit more. During my working life I found that good working teams mirror good leaders. "Teams" working as individuals do not have that same leadership. Your ladies (surely there must be some men who are interested in this caring work) are truly a team working to help us recover quickly and achieving our goals".

*ComPacks Client, letter dated 6th September 2017*

## Programs (cont.) Ken Johnson, Senior Program Manager

### Regional Assessment Services

Community Options Australia's delivery of Regional Assessment Services (RAS) for the Commonwealth Department of Health, continues to go from strength to strength.

Highlights include:

- Delivery of over 12,000 Assessments
- Significant improvement in KPIs, across all timeliness measures and all Regions
- Quality delivery of assessment services, as evidenced by 97% of clients with positive customer satisfaction survey results during the period, with a response rate of nearly two thirds of all assessments conducted

In June 2016, Community Options Australia initiated a performance review of all subcontractors, resulting in a significant improvement in service delivery. This was followed by a quality audit of processes and procedures in late 16/17, reaffirming both consistent delivery and compliance across all Regions.

Now that a solid framework is in place, and with further enhancements added to the RAS Tracker, Community Options Australia has been able to shift focus to improvements in the quality of assessments, particularly wellness and reablement approaches. We look forward to the recommendations from the Department of Health's quality framework review, and accelerated design workshops, which we were pleased to have been able to contribute to.

Community Options Australia delivered RAS in 16/17 through 14 Subcontractors across 8 Regions in NSW and the ACT. Community Options Australia's Board of Directors and management staff would like to acknowledge and thank our Subcontractors for their commitment and dedication to provide a quality service.

#### RAS Subcontractors 16/17

ADSSI HomeLiving Australia

CatholicCare Sydney

LiveBetter Community Services

Clarence Care + Support

Coast Community Connections

Community Options ACT

Community Services #1

The Forrest Centre

Sydney Community Forum

Interchange Australia

LifeDesigns NSW

Northside

Pinnacle Community Services

Tweed Shire Council

Mid Coast Council

Kurri Kurri Community Services



"Just want to compliment Home Support Assessor XX who visited my father, XX, on 7th September.

There was some confusion on my behalf... however, XX was able to explain the situation and went about making my father feel comfortable while making an assessment. XX was very knowledgeable, helpful and friendly. I wish Community Options Australia all the best with what is a very important role in the community."

*Carer for RAS Client, email dated 21st September 2017.*

## Programs Ken Johnson, Senior Program Manager

### Rapid Response Packs

Rapid Response Packs (RRP) have continued to provide vital services and equipment to those experiencing a rapid decline in their function due to their condition. In 16/17, 44 RRP's were approved and delivered, with acknowledgement for the funding and support of NSW Family & Community Services.

17/18 will be the last year for RRP, as the sector and funding transitions to the NDIS and other national programs. From its development in 2009 as a pilot project in partnership with the Motor Neurone Disease Association of NSW, RRP has provided services and equipment to over 900 people who had exhausted all other funding options.



Wonderful news! I have just spoken to XX... who started to cry with relief and who has asked me to please pass on her very sincere thanks."

*RRP Applicant, email dated 26th July 2016.*

## Members

### Membership 16/17

We would like to thank the following members for their support and engagement:

Members 16/17	
Accessible Living Options	Eurobodalla Shire Council
Access Care Network Australia	The Forrest Centre
ADSSI HomeLiving Australia	HammondCare
Anglicare	Interchange Australia
Bega Valley Shire Council	Kurri Kurri Community Services
Booroongen Djugun Limited	LifeDesigns NSW
CatholicCare Sydney	LiveBetter Community Services
Central Coast Disability Network	Mid Coast Council
Clarence Care + Support	Mid North Coast Local Health District
Coast Community Connections	Multicultural Care
Community Care Options Inc	Northside
Community Gateway Inc	Novacare
Community Options ACT	Pinnacle Community Services
Community Services #1	Snowy Monaro Regional Council
Dungog & District Neighbourcare Inc	Sydney Community Forum
Australian Red Cross Society	Interaction Disability Services
Ku-Ring-Gai Neighbourhood Centre	The Co-Operative Life

## Acknowledgement

Community Options Australia thanks the following Government departments for their continued support.



**Health**



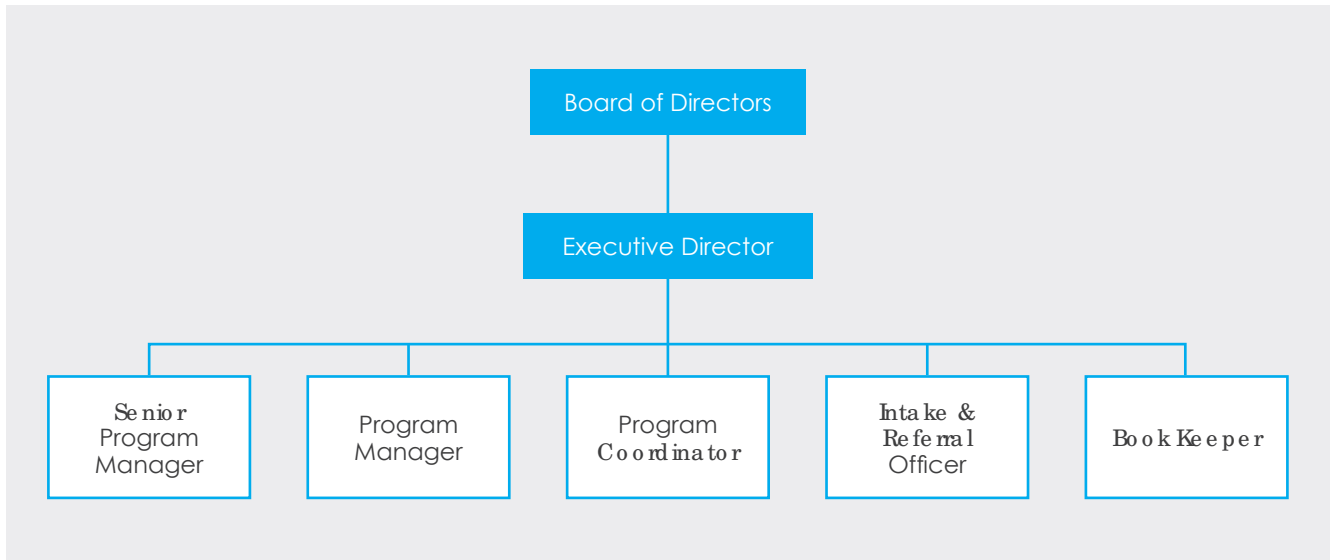
**Family &  
Community Services**  
Ageing, Disability & Home Care



**Australian Government**  
**Department of Health**

## Organisational Structure

The following organisational structure was in place as at September 2017.



# financial report

and statements

# Financial Report and Statements

## Directors' Report

### For the Year Ended 30 June 2017

Your directors submit the financial statements of Community Options Australia Inc. ( the Association ) for the financial year ended 30 June 2017.

#### 1. General information

##### Directors

The names of each person who has been a Director during the year and to the date of this report are:

Monique Cardon ( <i>Chair</i> )	
Joanne Watters ( <i>Deputy Chair</i> )	
Benjamin Graham	
Kate McDougall ( <i>Secretary</i> )	
Sarah Richardson	(Appointed 27th September 2016)
Rosy Walia	(Appointed 27th September 2016)
Jane Crowe ( <i>Executive Director</i> )	
Jennifer Allan	(Resigned 4th February 2017)

##### Principal activities

The principal activities of the Association during the financial year were to represent and resource the community care sector across NSW and the ACT. The Association is recognised as a leader in the development and delivery of package care solutions to a wide range of people.

##### Significant changes

No significant change in the nature of these activities occurred during the year.

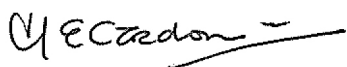
#### 2. Operating results

The surplus of the Association for the financial year amounted to \$88,106 (2016: \$(169,305)).

##### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Signed in accordance with a resolution of the Board of Directors:



Monique Cardon (Chair)



Joanne Watters (Deputy Chair)

Dated this 29th day of August 2017

## Financial Report and Statements

### Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
<b>Revenue</b>	3	<b>10,516,640</b>	12,276,595
Profit/(loss) on disposal of plant and equipment	3	(892)	4,305
Employment expenses		(422,938)	(379,779)
<b>Depreciation and amortisation expense</b>		<b>(10,503)</b>	(18,821)
<b>Finance costs</b>		<b>(2,705)</b>	(2,788)
Administration & office expenses		(299,784)	(489,809)
Operational expenses		(9,691,712)	(11,559,008)
<b>Current year surplus (deficit) before income tax</b>		<b>88,106</b>	(169,305)
<b>Income tax expense</b>	2(a)	—	—
<b>Net current year surplus (deficit)</b>		<b>88,106</b>	(169,305)
<b>Other comprehensive income</b>			
Other comprehensive income for the year		—	—
<b>Total comprehensive income for the year</b>		<b>88,106</b>	(169,305)

# Financial Report and Statements

## Statement of Financial Position

For the Year Ended 30 June 2017

	No te	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	274,081	703,187
Accounts receivable and other receivables	6	1,046,884	1,023,806
Other financial assets	7	200,000	—
Other assets	8	7,070	7,070
<b>TOTAL CURRENT ASSETS</b>		<b>1,528,035</b>	<b>1,734,063</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	9	23,648	31,589
<b>TOTAL NON-CURRENT ASSETS</b>		<b>23,648</b>	<b>31,589</b>
<b>TOTAL ASSETS</b>		<b>1,551,683</b>	<b>1,765,652</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payables and other payables	10	1,033,356	1,327,640
Lease liabilities	12(a)	8,727	7,585
<b>Income received in advance</b>		<b>21,768</b>	<b>23,580</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,063,851</b>	<b>1,358,805</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	12(a)	—	7,121
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>—</b>	<b>7,121</b>
<b>TOTAL LIABILITIES</b>		<b>1,063,851</b>	<b>1,365,926</b>
<b>NET ASSETS</b>		<b>487,832</b>	<b>399,726</b>
<b>EQUITY</b>			
Retained surplus		487,832	399,726
<b>TOTAL EQUITY</b>		<b>487,832</b>	<b>399,726</b>

# Financial Report and Statements

## Statement of Changes in Equity

For the Year Ended 30 June 2017

2017	Retained Surplus \$	Total \$
Balance at 1 July 2016	399,726	399,726
Surplus for the year	88,106	88,106
Balance at 30 June 2017	487,832	487,832

2016	Retained Surplus \$	Total \$
Balance at 1 July 2015	569,031	569,031
Deficit for the year	(169,305)	(169,305)
Balance at 30 June 2016	399,726	399,726

# Financial Report and Statements

## Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		11,535,825	12,486,429
Payments to suppliers and employees		(11,760,361)	(12,471,696)
Interest received		4,864	10,730
Net cash (used in) provided by operating activities	11	(219,672)	25,463
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		–	34,275
Purchase of plant and equipment		(3,455)	(8,528)
Purchase of financial assets		(200,000)	–
Net cash (used in) provided by investing activities		(203,455)	25,747
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of finance lease liabilities		(5,979)	(31,864)
Net cash used by financing activities		(5,979)	(31,864)
Net (decrease) increase in cash and cash equivalents held		(429,106)	19,346
Cash and cash equivalents at beginning of year		703,187	683,841
Cash and cash equivalents at end of financial year	5	274,081	703,187

# Financial Report and Statements

## Notes to the Financial Statements

### For the Year Ended 30 June 2017

The financial statements cover Community Options Australia Inc (the Association) as an individual entity. Community Options Australia Inc is an Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010*.

The principal activities of the Association for the year ended 30 June 2017 were to represent and resource the community care sector across NSW and the ACT. The Association is recognised as a leader in the development and delivery of package care solutions to a wide range of people.

The functional and presentation currency of Community Options Australia Inc is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

The financial statements were authorised for issue on 29th August 2017 by the Board of Directors.

### 1. Basis of Preparation

During the year Community Options Australia Inc applied Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act (NSW) 2009. The association is a non-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

## Financial Report and Statements

### 2. Summary of Significant Accounting Policies

#### (a) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Plant and equipment

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Furniture, Fixtures and Fittings	20%
Motor Vehicles	25%
Office Equipment	20%-33.3%
Computer Equipment	25%-33.3%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur.

# Financial Report and Statements

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. Summary of Significant Accounting Policies

#### (c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (d) Financial instruments Classification

The company classifies its financial assets into the following categories: 'Loans and receivables' and 'held to maturity investments'. The classification depends on the nature and purpose for which instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

##### (i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### (ii) Held to maturity investments

Held to maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

## Financial Report and Statements

### (iii) Financial liabilities

Non derivative financial liabilities are recognised at amortised cost using the effective interest method.

### (iv) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all other assets and liabilities, including discounted cash flow analysis, recent arm's length transactions, reference to similar instruments and option pricing model.

### (v) Other

The Association does not have any financial instruments classified as at fair value through profit or loss or available for sale financial assets.

### Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

### Derecognition

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

# Financial Report and Statements

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. Summary of Significant Accounting Policies

#### (e) Cash and cash equivalents

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

#### (f) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for services rendered in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### (g) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. For this purpose deferred consideration is not discounted to present values when recognising revenue.

**Revenue in relation to rendering of services is recognised when the service is provided.**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

#### (h) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

## Financial Report and Statements

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (i) Accounts payable and other payables

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

### (j) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### 3. Revenue and Other Income

	2017 \$	2016 \$
<b>Government contract revenue</b>	<b>10,452,998</b>	12,213,742
Membership revenue	<b>28,257</b>	33,584
<b>Interest income</b>	<b>4,636</b>	10,730
Other revenue	<b>30,749</b>	18,539
	<b>10,516,640</b>	12,276,595
Other Income		
- Profit/(loss) on disposal of plant and equipment	<b>(892)</b>	4,305

## Financial Report and Statements

### 4. Related Parties

#### (a) Transactions with related parties

Jennifer Allan is the Chief Executive Officer of Adssi Homeliving Australia and was Acting Chief Executive Officer of Coast Community Connections Limited. She was a Director of Community Options Australia, and was a member of the Risk & Finance Committee. She resigned from the Community Options Australia Board from 4th February 2017. Adssi Homeliving Australia is one of the RAS subcontractors for Community Options Australia, and delivers RAS in the Central Coast and Hunter regions. Coast Community Connections Limited is also a RAS subcontractor and ComPacks subcontractor.

	Purchases	Sales	Other	Balance outstanding	
				Owed to the association	Owed by the association
<b>Director</b>					
Jennifer Allan	662,080	–	–	–	156,407

### 5. Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	274,081	703,187

### 6. Accounts Receivable and Other Receivables

	2017	2016
	\$	\$
<b>CURRENT</b>		
Trade receivables	1,046,884	989,729
GST receivable		34,077
	1,046,884	1,023,806

## Financial Report and Statements

### 7. Other Financial Assets

#### (a) Held-to-maturity investments

	2017	2016
	\$	\$
Term deposit	200,000	—

### 8. Other Assets

	2017	2016
	\$	\$
CURRENT		
Rental bond	7,070	7,070

### 9. Plant and equipment

	2017	2016
	\$	\$
Furniture, fixtures and fittings		
At cost	15,972	15,972
Accumulated depreciation	(7,745)	(4,886)
Total furniture, fixtures and fittings	8,227	11,086
Motor vehicles		
At cost	20,235	20,235
Accumulated depreciation	(10,423)	(5,364)
Total motor vehicles	9,812	14,871
Office equipment		
At cost	18,219	19,127
Accumulated depreciation	(16,033)	(14,999)
Total office equipment	2,186	4,128
Computer equipment		
At cost	4,444	5,205
Accumulated depreciation	(1,021)	(3,701)
Total computer equipment	3,423	1,504
<b>Total plant and equipment</b>	<b>23,648</b>	<b>31,589</b>

## Financial Report and Statements

### (a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>					
Balance at 1st July 2016	11,086	14,871	4,128	1,504	31,589
Additions	—	—	—	3,454	3,454
Disposals	(27)	—	(705)	(160)	(892)
Depreciation	(2,832)	(5,059)	(1,237)	(1,375)	(10,503)
Balance at 30 June 2017	8,227	9,812	2,186	3,423	23,648

### 10. Trade and Other Payables

	2017	2016
	\$	\$
<b>CURRENT</b>		
Trade payables	982,054	1,289,650
GST payable	13,865	—
Employee benefits	30,437	31,990
Accrued expense	7,000	6,000
	<b>1,033,356</b>	<b>1,327,640</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

# Financial Report and Statements

## 11. Cash Flow Information

### (a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017 \$	2016 \$
Surplus (deficit) for the year	<b>88,106</b>	(169,305)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in surplus (deficit):		
- depreciation	<b>10,503</b>	18,821
- net loss (gain) on disposal of property, plant and equipment	<b>892</b>	(4,305)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(23,078)</b>	(908,394)
- (increase)/decrease in other assets	—	44,970
- increase/(decrease) in income in advance	<b>(1,812)</b>	(87,409)
- increase/(decrease) in trade and other payables	<b>(294,283)</b>	1,131,085
Cash flows from operations	<b>(219,672)</b>	25,463

## 12. Leasing Commitments

### (a) Finance leases

	2017 \$	2016 \$
Minimum lease payments		
- not later than one year	<b>9,152</b>	7,585
- between one year and five years	—	8,618
<b>Minimum lease payments</b>	<b>9,152</b>	16,203
Less future finance charges	<b>(425)</b>	(1,497)
Minimum lease payments	<b>8,727</b>	14,706

## Financial Report and Statements

### Hire Purchase Commitments:

	2017	2016
	\$	\$
Current liability	<b>8,727</b>	7,585
Non-current liability	–	7,121
<b>Total</b>	<b>8,727</b>	14,706

Finance leases are in place for motor vehicles and have a term of 3 years. The leases have terms of renewal. Renewals are at the option of the entity holding the lease.

### (b) Operating leases

	2017	2016
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
-not later than one year	<b>31,108</b>	31,108
-between one year and five years	<b>23,331</b>	54,439
	<b>54,439</b>	85,547

The company leases its premises at Suite 2, 114 Hampden Road, Artarmon, NSW 2064 under a non-cancellable operating lease which expires on 31 May 2019.

### 13. Contingencies

In the opinion of the Board of Directors, the Association did not have any contingencies at 30 June 2017 (30 June 2016:None).

### 14. Association Details

The registered office and principal place of business of the Association is:

Community Options Australia Inc  
Unit 2  
114 Hampden Road  
ARTARMON NSW 2064

## Directors' Declaration

**The directors of the Association declare that:**

1. The financial statements and notes of Community Options Australia Inc are in accordance with the Associations Incorporation Act (NSW) 2009, including:
  - a. giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the year ended on that date; and
  - b. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Associations Incorporation Regulations (NSW) 2010.
2. In the directors' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made accordance with a resolution of Board of Directors.



Monique Cardon (Chair)



Joanne Watters (Deputy Chair)

Dated this 29th day of August 2017

## INDEPENDENT AUDIT REPORT to the Members of Community Options Australia Inc

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Community Options Australia Inc (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration on the financial report giving a true and fair view of the financial position and performance of the Association.

In our opinion, the accompanying financial report of the Association is in accordance with the Associations Incorporation Act (NSW) 2009, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Associations Incorporations Regulations (NSW) 2010.

#### 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 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.

#### Responsibilities of Management and Those Charged with Governance

The directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors of the Association are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDIT REPORT to the Members of Community Options Australia Inc

### 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



## INDEPENDENT AUDIT REPORT to the Members of Community Options Australia Inc

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Rupaninga Dharmasiri**

Partner

LBW & Partners Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Dated this 30th day of August 2017

Notes

Handwriting practice area with horizontal dotted lines.



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