PHCS
PERTH HOME CARE SERVICES

RHCS
REGIONAL HOME CARE SERVICES

Perth Home Care Services

Annual Report 2009/2010

"People living at home with dignity"

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"People living at home with dignity"

Our Vision

"People Living at Home with Dignity"

Our Values

PHCS has a strong commitment to person centred work and we value:

- The individuality and worth of each person
- The promotion of people's contribution
- Connections between people, family and community
- Responsibility and showing pride in how we help people with their support
- Work done collaboratively and in partnership

Our Purpose

- We provide support in the homes of people in Western Australia who are frail, aged or have disability or mental illness.
- We assist people to be in control of their lives, connected with family and community, regardless of circumstances.
- We recognize each person's individuality and work with them to develop the supports they need.

Our Culture

- See the Person
- Do it together
- Do it right
- Do it better

The Board

Chairperson – Phil Thick BE (Hons) FAICD

Phil is the CEO and a Director of Coogee Chemicals. He is also Non-Executive Chairman or Director on a number of other Boards for private, public listed and government sector companies. Phil joined the Board of PHCS in 2008 and became Chairperson early this year. Previously Phil had a 20 year career in the oil industry with Shell in locations around Australia and overseas, and was also an Executive Director for Shell Australia Limited, based in Melbourne, from 2003-6. He brings extensive corporate and commercial knowledge, direct experience managing large workforces, and board and director experience across a wide range of small to large businesses.

Deputy Chairperson - Trevor Goddard

Trevor joined the board of PHCS in 2002 and is currently Deputy Chair. He is Director of International Relations within the School of Occupational Therapy and Social Work at Curtin University of Technology. Trevor has received a National Australia Day Council Young Australian Achiever Award and is a Rotary International Paul Harris Fellow. He brings international experience in service development within the disability and community care services sector to the Board with a focus on community partnerships for health, increasing knowledge as a form of empowerment and community capacity building.

Board Member - Dr Leighton Jay PhD GAICD

Leighton has been a member of the PHCS Board since 1999. He was the Deputy Chairperson from 2001 to 2007 and Chairperson from 2007 until February 2010. He works fulltime as a member of the academic staff in the School of Management at Curtin University. His primary areas of focus are learning and development in organisations, and factors influencing the ways in which groups, organisations and industries function as whole systems. He is married to Jenny and is the father of three adult children. Through Curtin University, Leighton also works as a business consultant and group facilitator. He has previously worked in the aged care sector and has extensive relationships across the disability sector.

Board Member – Ann Kelly

Ann retired from the position of Manager At-Home Services for Brightwater Care Group in 2001 after working in community care since 1981. Ann feels that she brings a wealth of experience in the various aspects of community care for the aged and disabled in the community in a practical sense, and hopes that this will be an advantage in her contribution to Perth Home Care Services. Ann joined the Board in 2002

Board Member – Constance Chapman BSc (Hons) BA DECH GAICD FFin

Constance joined the Board in February 2009. She retired in September 2009 from the position of Manager Governance and Corporate Secretary of Western Australian Treasury Corporation after more than 25 years working in finance, with experience in both the public sector and the corporate environment. She brings to the Board experience in governance, board processes, finance, management and population based health statistics for the planning of health services together with a strong commitment to making support services available to people in their own homes.

Board Member – Jacqueline Hagan
(Until October 2009)

Jacqueline joined the Board in March 2004. Jacqueline has been a director with Cumberland Consulting Group for the past 15 years where she is involved in providing strategic management consulting services in the area of Human Resources strategy to major corporations in Australia, with specific focus on Western Australia. Jacqueline has a Bachelor of Arts with Honours in Psychology and a Master of Science in Psychology and is a Registered Organisational Psychologist. She is a member of the Australian Psychological Society and a Foreign Affiliate of the American Society of Industrial and Organisational Psychologists.

Board Member – Karen Gadsby B Comm, FCA, MAICD
(Until May 2010)

Karen commenced her career as a chartered accountant in Perth and then worked in executive roles including CFO and Company Secretary for a multinational resources company. For the past 10 years Karen has worked solely with Boards in her role as a consultant or as a director, in various industries, in both Perth and Melbourne. Karen has over 26 years experience in finance and business management.

Board Member – Karen King
(Until May 2010)

Karen is a Psychologist who has worked within large multi-national organisations for over 13 years. She offers a unique skill set to the PHCS Board through her background in psychology and experience in senior human resource management positions. Karen joined the Board in 2010 and as a new Board member hopes to contribute a fresh perspective in delivering individualised services to people in their home.

Board Member - Ben Oxford M.Ed; B.Prof Std; B.Teach; MAICD
(From May 2010)

Ben has had 20 years experience in management and senior management roles, 14 years Health and Community experience and is currently in the Mining and Resources Sector as the National Sales and Marketing Manager for Geographe Enterprises Pty Ltd. Ben has spent 14 years in the Health and Community Services sector including but not limited to; Silverchain Nursing Association, Communicare Inc, NT Police – Community and Health and Mission Australia. Ben also possesses 8 years experience at Board of Management level and believes in the person centred approach to care.

Board Member – Giles Everist BSc (Hons) ACA GAICD
(From May 2010)

Giles has held a number of senior financial executive roles over the past 20 years within Coopers & Lybrand, Rio Tinto, Fluor Australia and latterly Monadelphous Group where he was Chief Financial Officer until he left in September 2009. Since then he has joined a number of Boards in the public, private and not for profit sectors. As well as having a strong commercial background, he has had extensive experience with service and project based businesses, and has gained a deep understanding of the strategic, governance and risk management issues growth organisations face.

Chairperson's Report

In preparation for writing my first report as Chairperson of Perth Home Care Services I looked back over the reports for previous years and there was one consistent message – "it was another good year with very strong growth, delivered through an outstanding commitment from the staff at every level in the organisation". I am pleased to be able to report the same for the past year.

It was a year of challenge for the WA economy, and it was a credit to all involved that we not only came through that period relatively unscathed, but see ourselves in a very sound financial position at the end of the 2009/10 financial year, with a robust plan for the year ahead. Undoubtedly one of the highlights of the year was the joint celebration to mark PHCS's 40 year anniversary and the opening of the new South Office in Jandakot. It was a special day to gather together many friends and colleagues, past and present, along with our important stakeholders, to recognise what we have achieved over 40 years, and to look to the next 40. It was great to hear the experiences from three representatives of people we support of how PHCS has played an important role in their lives. No-one present will forget those stories.

When I joined the Board of PHCS in 2007, I was excited by the prospect of being involved in such a progressive and vibrant organisation. In 2006 PHCS had launched its new Vision – "People living at home with dignity". That Vision still guides us and is just as pertinent today. In 2006/7 the total income for PHCS was $16 million, compared to $5 million five years earlier. We had more than doubled the hours of service delivered in that same period. This is a growth rate of which any business would be proud, and generates excitement and opportunities in almost equal proportion with the challenges and risks it creates.

Although my experience and knowledge of the industry in which PHCS operates was limited, I brought some experience of running big organisations with large numbers of employees, and PHCS had rapidly grown to become just such an organisation. Today we are a substantial business with 870 employees and our annual turnover has more than doubled again in the past four years to $36 million budgeted for the coming year. The one thing few of us in the corporate world are familiar with is a business where growth opportunities abound and where strategy and direction are critical to ensure that we make the right decisions for PHCS and our stakeholders going forward, and most importantly for the many individuals to whom we provide services, their families and support groups.

Our size, along with our excellent reputation, puts us in a position of prominence, and potentially influence, in the sectors in which we operate. With this comes a responsibility. The Board is very aware of this and we are increasingly looking at how this should be reflected in our strategic direction going forward. We have come some distance over the past few years in the setting of strategy and aligning our long term plans and our annual budgets with that strategic direction. We still have some way to go but it is encouraging, at both a Board and Management level, to be challenging such important issues/questions as:

- Do we need to continue to grow the business, and if so how fast and why?
- In line with our broader objectives, how can we extend our capacity to provide services to more of the most vulnerable in our community, where available funding for such individuals falls well short of costs?

- How can we best use our size and reputation to influence the broader community through the sectors in which we work, rather than just the people with whom we interact directly?
- Can we build strong partnerships with other groups to increase our ability to influence the key decision makers in our sectors?
- Which pilot models could we be running to get ahead of the game and look for new ways of meeting the needs of the community?

I believe there is genuine desire and commitment for change in the industry at the moment, and the window of opportunity is open. There are many organisations, Government Departments and NGOs, talking about new ways of doing things, but implementation is another matter. Our vocabulary has been enriched with "person centred approach"; "individuals managing their own support"; "measuring outcomes not inputs"; to name a few. These are all key to our success going forward at PHCS, but it is how we embed these concepts into our daily activities that will differentiate us from others. I believe we are well placed to take a leadership role in institutionalising these actions into our business and making it "The way we enable people to live at home with dignity".

I was delighted to have the opportunity to take over as Chairperson from Leighton earlier this year when he decided to step down to pursue other paths. It is an honour and I look forward to the challenges ahead. I wish to thank Leighton for his considerable contribution throughout his eleven years on the Board and his calm wisdom will be missed.

The Board has undergone many changes over recent years, and in the past year we have said farewell to Jacque Hagan, Karen Gadsby and Karen King, with Leighton Jay and Trevor Goddard to leave later this year, and have welcomed Giles Everest and Ben Oxford. I believe we have an excellent mix of skills and experience to take us forward, and I thank each member of the Board for their selfless commitment to ensuring that PHCS has a clear and sustainable direction for the future.

Finally, my thanks to Marita, her management team and everybody in PHCS who has contributed to our success to date. Stay with us because there are even better things to come.

Phil Thick

Chairperson

CEO ANNUAL REPORT

The development of our 2010 – 2020 Strategic Plan occurred over this period and was made public at our 40th Anniversary Celebration on the 7th May 2010.

The Vision, Values, Purpose and Culture can be seen on page 2.

An important component of the plan are the: **Strategic principles guiding our work to 2020**

- Emphasising support models which focus on enabling, planning and connecting people.
- Influencing on many levels: government, communities and individuals.
- Increasing our depth of understanding and working with people in a person centred way.
- Working with those people whose situations are more specialised and complex.
- Extending our capacity to work with people who are the most vulnerable.
- Pursuing partnerships inside and outside our current circle to support people in complex situations.
- Preparing ourselves to support a range of 'communities' defined in many ways.
- Ensuring our work supports the sustainability and financial viability of our organisation.
- Generating surplus income to support people in circumstances where funding does not match cost.

Strategic Goals 2010-2011

Our goals for the period January 2010 – June 2011 are:

- Manage and grow our financial resources to ensure program viability and organisational sustainability.
- Develop an approach for engaging 'community' which includes identifying strengths and building capacity.
- Strengthen our capacity to engage people, families and carers as partners in the organisation.
- Increase our capacity to improve connection and information flow to multiple stakeholders.
- Influence relevant stakeholders in relation to consumer directed funding, housing and the person centred approach.
- Further enhance our person centred practice and demonstrate outcomes for people.
- Pilot models of working which encourage responsibility and leadership.

While these goals and the associated strategies extend until mid 2011 there is already significant activity to report.

Manage our financial resources to ensure program viability and organisational sustainability

There has been a strong focus on developing a detailed understanding of the revenue and expenditure for all programs by finance staff relatively new to the organisation and all managers.

A range of cost reduction initiatives across direct, indirect and administration areas were implemented.

The capacity to monitor and report costs for individuals receiving DSC funding has been significantly improved and this in turn has enabled a more accurate analysis of the viability of sub programs, regions and service models. There is further work to be done in this area.

Financial settings for each program have been determined that take into account the specific requirements of each contract and funder and this has led to a greater understanding of program viability and capacity to build resources for infrastructure investment.

Further research has been done to consider options for activity that will generate high value return for the organisation.

Develop an approach for engaging 'community' which includes identifying strengths and building capacity.

One of the strategies linked to this goal involves developing our capacity to enable individuals and families to have more control over their own support. There is a growing understanding of a spectrum of control that has shared management at one end and involvement in planning and service delivery undertaken by PHCS/RHCS at the other. Regardless of program or funder there are practices that enable people to have greater say and control.

Significant work has been done to improve our systems and practice of shared management. A manual has been adapted from an original produced by Mamre in Queensland. Managing Your Own Supports is available on the PHCS website.

PHCS/RHCS has had two sessions of 'Celebrate, Share and Connect' which **Celebrated** the work that families do, **Connected** people who manage their own support and provided an opportunity to **Share** information, knowledge and resources. One session was held in March for the Perth metropolitan area and one in June in Northam for people in the Wheatbelt region.

As part of the MORE (More Options for REspite) project, the Partners in Practice initiative has built a team of staff who are able to facilitate a series of sessions called the Big Plan. The Big Plan brings a group of people we support and their families together to help them decide what is important, how to get started and what it will take for us as an organisation to help them achieve their goals. A recent reunion of people from three separate metro Big Plan groups found that there were significant outcomes for everyone and an increased sense of control and hope for the future.

Strengthen our capacity to engage and create space to hear the voice of people we support.

As well as hearing the voices of individuals and families when planning and implementing service we have a strategy to develop the capacity of individuals and families to provide leadership to others.

A particular outcome of the group which participated in the Big Plan in the Wheatbelt was the idea of a family support group, to be led and managed by family members. The identification of one family member who wants to be a 'champion' of change provides a very important opportunity for a family leadership model to be trialed and piloted in the Wheatbelt.

Another valuable avenue is feedback and complaints. PHCS has invested in redesign of our complaints mechanism for the people we support. This system allows us to receive feedback about significant and serious complaints. We can investigate, take action and work to resolve the complaint in partnership with the complainant.

Increase our capacity to improve connection and information flow to multiple stakeholders.

The intranet is the main source of information for office based staff and significant work has been undertaken to improve the design and ease of access. The Disability Service Commission sub programs, procedures and forms have been reviewed, reorganised and updated to take account of the increasing volume and complexity of individual service design and implementation. This includes the work on the Shared Management procedures which have been built over the year.

A pilot project has been conducted with the CATCH/VDQ zone to enable key information to be available to Support Workers via the intranet. This is an exciting prospect for a much wider range of staff being able to access key organisational information.

The Strategic Marketing Plan is being developed and six workshops have been held. A new organisational brochure was developed to provide information for the people we support now and into the future. This brochure was launched at the 40th Celebration and has received a lot of positive feedback.

The implementation of the Aurion HR/Payroll system is well underway, with all employees now being paid through the Aurion system since the 22nd July. This is a significant accomplishment and the culmination of many months of training and work.

There are a number of enhancements to the PHCS website including the capacity for applications to be lodged online however a major redesign will be an outcome of the Strategic Marketing Plan.

Influence relevant stakeholders in relation to consumer directed funding, housing and the person centred approach.

Activity has involved proactive approaches to key Ministers and public officers, participation in relevant meetings, written submissions, presentations at conferences and membership of key peak bodies and committees. Over the past twelve months there have been numerous examples of all these activities being undertaken.

The Economic Audit Report released in November by the State government is a key document that will guide the future delivery of state government services into the future. There is a strong focus on citizen focused services that involve more control by the people receiving services including the expansion of consumer directed funding. The pilot project being undertaken within PHCS for a small group of individuals and families with mental health issues will provide valuable information and learning for us to share.

At a national level there is growing interest in consumer directed funding. The Department of Health and Ageing have made available 500 aged care packages specifically for Consumer Directed Care. PHCS applied and has been awarded 42 packages which will be implemented in 2010- 11.

Potentially the most significant opportunity for major change in the future is the Productivity Commission Inquiry into the Disability Long Term Care and Support. PHCS has been active in developing an organisational submission, participating in a range of forums and assisting and facilitating submissions from other relevant bodies. This has included face to face contact with Commissioner Patricia Scott and email contact with officers in Canberra. It is likely that this initiative will require input over many years.

Further enhance our person centred practice and demonstrate outcomes for people.

Further development of person centred thinking and practice has occurred at the Staysafe sessions for all staff in the second half of 2009. The focus was on consideration of the power of language and the impact of power in our relationships. The conversations on these issues have continued in the regular meetings Coordinators have with Support Workers. These meetings are also considering a range of tools that staff can use to facilitate working in a person centred way.

Four Support Workers from PHCS attended each of the eight Partners in Change courses run as part of the MORE project and there are core of staff in each region that have a strong foundation of person centred thinking that they can share with their colleagues.

In May PHCS was a co sponsor of the Everyday Lives in Everyday Communities two day workshop run by international experts John O'Brien and Connie Lyle O'Brien, Jack Peirpoint and Linda Kahn. John & Connie also ran an internal workshop with PHCS/RHCS staff to enable a reflection on our implementation of person centred practice. This was a very valuable exercise which has identified the further work to be done.

The development of Outcome measures has progressed steadily and two tools have been developed. These are the Most Important Changes and the Family Outcomes Survey. Both have been piloted and further opportunities to gather data have been identified.

Pilot models of working which encourage responsibility and leadership

The tailored Leadership Program for 30 staff of whom the majority were Coordinators was completed in the second half of 2009. This provided a solid foundation for more effective management of themselves and their staff. Peer learning groups have been supported to continue after the face to face training.

The further development of the Team Leader role has continued and these staff form part of the zone leadership teams that meet regularly.

In the North metropolitan region the Managers are facilitating four work groups who have chosen a specific aspect of Strategic plan to implement over the coming months. This will be an opportunity to develop more fully leadership roles with their own staff. In the South each zone is considering a project to enable more effective connection of the people we support with their community.

At the Executive level work has been undertaken with a consultant, to develop Key Performance Indicators for 2010 – 11 for each Manager. This has complemented the work done to devolve budget and financial management to Managers within their area of responsibility.

What have we learnt?

We have learnt that

- Implementing the changes we want to see in the future takes time and persistence.
- 'Buy in' from staff across the organisation is vital to move our Strategic Goals forward.
- Some strategies are easier to implement than others.
- Taking the time to develop action plans and KPIs was daunting, but will help us be better able to track our progress.

What are we pleased about?

We are pleased to see movement in the overall direction of our Strategic Goals. Examples include;

- Embedding the principles of being person centred is being demonstrated in our practice.
- Information and practice around Shared Management is now better understood in some parts of the organisation.
- Families who are interested in managing their own support are providing us with some honest feedback about what we can do to assist them.
- We are well placed to be a leader in consumer directed and shared management arrangements across all three sectors.
- We are beginning to see improvement in our systems and making some advances in our thinking about what type of information is available and to whom.

- Our financial outcome is better than was earlier predicted, and we have a clearer understanding of why this is so because of the time we have spent in discussion, learning and the budget process.
- We are asking good questions about what it takes to make our Strategic goals a reality.

Where to from here?

The initial Strategic Goals will guide our work over the next twelve months. The economic, political and policy environment in which we operate is constantly changing. Maintaining and strengthening our culture will be critical and I wish to acknowledge staff for their focus on seeing the person, doing it together, doing it right and doing it better. By staying true to our vision of people living at home with dignity we will have a bright and sustainable future as an organisation.

Marita Walker

Chief Executive Officer

PERTH HOME CARE SERVICES INCORPORATED
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

Statement by the Board of Directors

The Board of Directors has determined that Perth Home Care Services Incorporated is not a reporting entity and that a special purpose financial report should be prepared in accordance with Accounting Policies outlined in Note 1 to the financial statements.

In our opinion, the accompanying Special Purpose Financial Report of Perth Home Care Services Incorporated has been drawn up to fairly present:

1) The state of affairs of the Association as at 30 June 2010;
2) The results for the year then ended; and
3) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The Special Purpose Financial Report of the association has been made out in accordance with the basis of accounting as described in this report.

Signed on behalf of the Board

Phil Thick

Chairperson

16 September, 2010

Leighton Jay

Director

16 September, 2010

Deloitte.

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Independent Auditor's Report to the Members of Perth Home Care Services Inc

We have audited the accompanying financial report, being a special purpose financial report, of Perth Home Care Services Inc which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income and the cash flow statement for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Association's Board of Directors declaration as set out on pages 5 to 20.

The Responsibility of Association's Board of Directors for the Financial Report

The Association's Board of Directors of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Perth Home Care Services Inc's Constitution and are appropriate to meet the needs of the Members. The responsibility of Association's Board of Directors also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report 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 report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the 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 financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association's Board of Directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the Members for the purpose of fulfilling the Association's Board of Directors financial reporting requirements under the Perth Home Care Services Inc's Constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Members, or for any purpose other than that for which it was prepared.

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Perth Home Care Services Inc as at 30 June 2010 and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Nicoloff

Chris Nicoloff
Partner
Chartered Accountants
Perth, 16 September 2010

PERTH HOME CARE SERVICES INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $'000	2009 $'000
OPERATING REVENUE			
Government Funding			
Home and Community Care		7,580	6,746
Disability Services Commission		15,661	10,004
Community and Extended Aged Care		2,843	2,054
Hospital Contracts		3,226	2,919
Mental Health		780	782
National Respite for Carers		369	307
Families and Community Services		1,566	1,927
Other Funding		35	55
Non-Recurrent Grants – Non-capital	2(a)	89	482
Non- Recurrent Grants - Capital	1(d), 2(a)	515	130
Total Government Funding		**32,664**	**25,406**
Other Fees			
Fee for Service – Individuals and Organisations		597	519
Client Fees – HACC		329	304
Client Fees – Others	2(b)	295	253
Total Other Fees		**1,221**	**1,076**
Other Income			
Donations		33	6
Other Operating Income	2(c)	395	321
Gain/(Loss) on Disposal of Assets		(29)	(49)
Total Other Income		**399**	**278**
Interest Received	2(d)	342	446
Total Revenue		**34,626**	**27,206**
OPERATING EXPENDITURE			
Direct Care Service Cost		19,598	14,904
Indirect Care Service Costs		6,707	8,017
Administration Overheads		5,300	3,597
Depreciation	3(f)	697	562
Total Operating Expenditure		**32,302**	**27,080**
Net Cost of Service		**2,324**	**126**
Less: Provision for Unspent Grants	1(h)	1,322	-
TOTAL COMPREHENSIVE INCOME		**1,002**	**126**

PERTH HOME CARE SERVICES INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	2010 $'000	2009 $'000
CURRENT ASSETS			
Cash at Bank and On Hand	12(a)	217	211
Short Term Bank Deposits	12(a)	7,174	4,882
Trade Debtors		827	1,158
Less: Provision for Doubtful Debts		(7)	(3)
Prepayments		668	432
Accrued Income		395	260
TOTAL CURRENT ASSETS		**9,274**	**6,940**
FIXED ASSETS			
Property, Plant and Equipment	4	6,935	6,159
TOTAL FIXED ASSETS		**6,935**	**6,159**
TOTAL ASSETS		**16,209**	**13,099**
CURRENT LIABILITIES			
Grants Received in Advance		1,371	1,384
Trade Creditors		167	664
Accruals		1,284	622
GST Payable		514	308
Provision of Unspent Grants		1,322	-
Employee Entitlements	1(e), 5 (a)	1,608	1,551
TOTAL CURRENT LIABILITIES		**6,266**	**4,529**
NON-CURRENT LIABILITIES			
Employee Entitlements	1(e), 5 (b)	767	396
TOTAL NON-CURRENT LIABILITIES		**767**	**396**
TOTAL LIABILITIES		**7,033**	**4,925**
NET ASSETS		**9,176**	**8,174**
MEMBERS' FUNDS	6		
Retained Earnings		7,028	5,694
Reserves		2,148	2,480
TOTAL MEMBERS' FUNDS		**9,176**	**8,174**

PERTH HOME CARE SERVICES INCORPORATED
CASH FLOW STATEMENT
FOR THE YEAR ENDING 30 JUNE 2010

	Notes	2010 $'000	2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		2,655	610
Interest Received		420	391
Grants Received		30,337	25,032
Operating Expenditure		(29,612)	(25,930)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12(b)	**3,800**	**103**
CASH FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(2,068)	(1,343)
Proceeds from Sale of Property, Plant and Equipment		566	571
Government Capital Grants		-	130
NET CASH USED IN INVESTING ACTIVITIES		**(1,502)**	**(642)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan Repayment		-	(80)
NET CASH USED IN FINANCING ACTIVITIES		**-**	**(80)**
NET INCREASE IN CASH HELD		2,298	(619)
CASH AT BEGINNING OF THE YEAR		5,093	5,712
CASH AT END OF YEAR	12(a)	**7,391**	**5,093**

PERTH HOME CARE SERVICES INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. Significant Accounting Policies

(a) Basis of Accounting

The Association has prepared a "Special Purpose Financial Report" as in the opinion of the directors it meets the information and financial needs of the members and funding agencies.

The Association has applied the following Australian Accounting Standards and other professional reporting requirements in Australia: Accounting Standard AASB 1031 "Materiality", Accounting Standard AASB 110 "Events occurring after balance date" and Accounting Standard AASB 118"Revenue". No other Australian Accounting Standards and other professional reporting requirements in Australia have mandatory applicability because the Association is not a reporting entity. The Association has however adopted the recognition and measurement requirements of the Australian Accounting Standards.

The financial report has been prepared on an accruals basis and does not take into account changing money values of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statement is prepared in Australian dollars and all values are rounded to the nearest thousand ($000) unless otherwise stated.

(b) Income Tax and Goods and Services Tax

Under the provisions of the current income tax legislation, Perth Home Care Services Incorporated is endorsed by the Australian Taxation Office as an income tax exempt charity. It is also registered for GST and has the following ABN: 21 515 661 040.

(c) Property, Plant and Equipment

Plant and equipment is stated at historical cost, less accumulated depreciation and any accumulated impairment losses. Land and Buildings are measured at fair value based on periodical independent valuations less accumulated depreciation and any impairment losses recognised after the date of the valuation.

Items of property, plant and equipment, other than land are depreciated on a straight-line basis over their estimated useful lives as follows:

	2010 % pa	2009 % pa
Buildings	2.5	2.5
Computer Equipment	33.3	33.3
Major software applications	20	20
Motor Vehicles, Plant and Equipment	Between 10 and 20	Between 10 and 20

1. Significant Accounting Policies (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

Revaluation of Land and Buildings

Following initial recognition at cost, land and buildings are carried at a re-valued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at balance sheet date.

When the carrying amount of land and buildings is increased because of valuation, the increase is credited directly to the asset revaluation reserve except where it reverses a revaluation decrement previously recognised in the profit and loss in which case it is credited to the income statement. When the carrying value of land and buildings is decreased because of a revaluation, the decrease is recognised in the income statement, except where a credit balance exists in the asset revaluation reserve, in which case it is debited to that reserve. In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. An item of property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposable proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Recoverable amount of assets

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(d) Commonwealth and State Capital Grants

Commonwealth, State Government and Lotterywest non-recurring Capital Grants received are recognised as non-recurrent capital grants in the profit and loss when capital equipment are purchased. Unexpended grants are maintained in the Grants in Advance account.

1. Significant Accounting Policies (Cont'd)

(d) Commonwealth and State Capital Grants (cont'd)

In order to satisfy the requirements and interest of government funding agencies the following table is included:

Financial Year	Grant Purpose	Source	Grant Amount $'000
1995-07	Buildings and Vehicle Modifications	LotteryWest	729
1995-96	Building and Vehicles	HACC	430
2000-06	Vehicles and Equipment	DHAS (CACP)	101
2004-05	Vehicle	DHAS (NRC)	33
2005-07	Vehicles	DSC	220
2007-08	Building Refurbish	Lotterywest	400
2007-08	Vehicles	DSC	95
2008-09	Vehicles	HACC	88
2008-09	IT	DSC	87
2009-10	Vehicles	DSC	58
2009-10	IT and office Refurbishment	LotteryWest	327
2009-10	Vehicles and Equipment	Dept. Of Health and Ageing	43
2009-10	IT Systems Improvements	DSC	87
Total			**2,698**

(e) Provision for Staff and Employee Entitlements

Provision has been made in the financial statements for benefits accruing to staff and employees in respect of annual leave and long service leave. Provision for annual leave and current portion of long service leave provisions are measured at their nominal amounts and include on-costs. The non-current portion of long service leave (including on-costs) is measured at the present value of estimated future cash flows, discounted using market yields at the reported date on national government bonds with terms to maturity that match as closely as possible to the estimated future cash outflows.

1. Significant Accounting Policies (Cont'd)

(f) Leased Equipment

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

(g) Trade Debtors

Trade Debtors are initially recorded at the dollar value of services rendered. A provision for any doubtful debts is established based upon a review of outstanding debts at year-end. Bad debts are written off when they are identified.

(h) Revenue Recognition

A large portion of the Association's activity is supported by grants received from federal and state governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services performed or conditions fulfilled that are specific to each contract. Unspent grants are transferred to a liability account through the profit and loss account to recognise the Association's obligation to either pay these grants back to the funding bodies or applied against the next financial year grant revenue. These amounts were previously maintained in the Grant in Advance account. The total amount set aside as Unspent Grants for the 2009-2010 financial year was $1,322,000. Revenue from non-reciprocal grants is recognised as and when received.

Reciprocal Grants

Government Funders	Conditions
Disability Services Commission	Delivery of Direct and Indirect Services Payment of Grants
Home and Community Care Program State Mental Health Program National Respite for Carers Program Hospitals Personal Helpers and Mentors	Delivery of Direct Services
FAHCSIA	Project Milestones

Non-reciprocal Grants

Government Funders	Conditions
Community Aged Care Packages Extended Aged Care Packages	Delivery of Direct Services to Eligible Clients Per Day Per Package

PERTH HOME CARE SERVICES INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 $'000	2009 $'000
2. Revenue		
(a) Non-recurrent Grants - Operating		
EACH	53	482
CACP	36	-
	89	482
Non-recurrent Grants - Capital		
DSC Projects	145	-
Lotterywest Grants	327	-
Department of Health and Ageing	43	130
Total Non-recurrent Grants - Capital	**515**	**130**
(b) Client Fees - Others		
CACP	181	175
EACH	65	26
NRCP	14	9
DSC	6	9
Homeshare	20	-
Client Travel Reimbursement	-	29
Others	9	5
Total Other Client Fees	**295**	**253**
(c) Other Income		
Staff Motor Vehicle Contributions	151	141
Staff Salary Package Fees	67	59
Traineeship Grants	5	13
Refunds	-	17
Consultancy Services	132	-
Other	40	91
Total Other Income	**395**	**321**
(d) Finance Income		
Interest Received - Short Term Deposits	**342**	**446**

3. Expenses

	2010 $'000	2009 $'000
(e) Employee Benefit Costs		
Wages and Salaries	18,259	15,442
Superannuation	1,724	1,445
Workers Compensation Costs	625	557
Support Worker Travel Reimbursement	2,034	1,566
Total Employee Benefit Costs	**22,642**	**19,010**
(f) Depreciation		
Motor Vehicles (Indirect Care)	311	259
Motor Vehicles (Administrative and Support)	67	56
Buildings and Fixtures and Fittings	38	104
Computers and Office Equipment	268	136
Lease Improvements	13	7
Total Depreciation	**697**	**562**

4. Property, Plant and Equipment

	Cost $'000	Accumulated Depreciation $000	WDV 2010 $'000	WDV 2009 $'000
Land and Buildings				
Land	2,383	-	2,383	2,383
Buildings	1,517	135	1,382	1,420
Total Land and Buildings	**3,900**	**135**	**3,765**	**3,803**
Fixtures and Fittings	703	191	512	545
Computer Equipment	786	348	438	286
Office Furniture and Equipment	546	31	515	53
Motor Vehicles	2,126	440	1,686	1,456
Lease Improvements	32	13	19	16
Total Plant and Equipment	**4,193**	**1,023**	**3,170**	**2,356**
Total Fixed Assets	**8,093**	**1,158**	**6,935**	**6,159**

4. Property, Plant and Equipment (Cont'd)

	Freehold Land and Buildings $'000	Fixtures and Fittings $'000	Computer Equipment $'000	Furniture and Equipment $'000	Motor Vehicles $'000	Lease Improve -ments $'000	Total $'000
Cost or fair value							
At 1 July 2009	3,900	668	545	79	1,749	23	**6,964**
Additions	-	36	309	504	1,202	16	**2,068**
Disposals	-	(1)	(68)	(38)	(825)	(7)	**(939)**
At 30 June 2010	**3,900**	**703**	**786**	**546**	**2,126**	**32**	**8,093**
Accumulated Depreciation							
At 1 July 2009	97	123	259	26	293	7	**805**
Charge for the year	38	69	157	42	378	13	**697**
Disposals	-	(1)	(68)	(37)	(231)	(7)	**(344)**
At 30 June 2010	**135**	**191**	**348**	**31**	**440**	**13**	**1,158**
WDV 2010	**3,765**	**512**	**438**	**515**	**1,686**	**19**	**6,935**
WDV 2009	**3,803**	**545**	**286**	**53**	**1,456**	**16**	**6,159**

5. Employee Entitlements

	2010 $'000	2009 $'000
Leave Entitlements		
a) Current		
Annual leave	1,298	1,170
Long service leave	310	381
	1,608	**1,551**
b) Non-current		
Long service leave	767	396
Total leave Entitlements	**2,375**	**1,947**

5. Employee Entitlements (Cont'd)

The following additional disclosure for employee leave entitlements is made which sets out the portions of the provisions that are payable to the employee and those that are made to third parties for Superannuation, Worker's Compensation and other expenses:

2009-2010 Benefit Type	Cash Entitlement $'000	Superannuation $'000	Other $'000	Total $'000
Annual Leave	1,139	102	57	1,298
Long Service (Current)	272	24	14	310
Long Service (Deferred)	672	61	34	767
Total	**2,083**	**187**	**105**	**2,375**

2008-2009 Benefit Type	Cash Entitlement $'000	Superannuation $'000	Other $'000	Total $'000
Annual Leave	1,025	93	52	1,170
Long Service (Current)	334	30	17	381
Long Service (Deferred)	348	31	17	396
Total	**1,707**	**154**	**86**	**1,947**

6. Changes in Members' Funds

	Balance 1 July 2009 $'000	Transfers between Reserves and Retained Earnings $'000	Net Profit for the year $'000	Balance 30 June 2010 $'000
(a) CACP Surplus Reserve	229	(229)	-	-
(b) NRCP Surplus Reserve	103	(103)	-	-
Asset Revaluation Reserve	2,148	-	-	2,148
Retained Earnings	5,694	332	1,002	7,028
Total	**8,174**	**-**	**1,002**	**9,176**

6. Changes in Members' Equity (Cont'd)

(a) A reserve titled "CACP Surplus Reserve" was created during the 2002 financial year to set aside surplus funds accumulated under funding arrangements for Community Aged Care Packages. This arrangement is a requirement of the contract between Association and the Commonwealth Department of Health and Ageing. These surplus funds were fully utilised in the delivery of the Community and Aged Care Packages in the 2010 financial year.

(b) A reserve title "NRCP Surplus Reserve" was created during the 2008 financial year as a requirement of the contract to set aside net surplus funds from the National Respite for Carers Program from the Commonwealth Department of Health and Ageing. These surplus funds were fully utilised in the delivery of the National Respite for Carers Program subsequent to the 2008 financial year.

7. Director and Executive Disclosures

(a) Directors

The Directors of Perth Home Care Services Incorporated during the financial year were:

Mr Phil Thick	Chairperson (non-executive)
Mr Trevor Goddard	Deputy Chairperson (non-executive)
Mrs Ann Kelly	Director (non-executive)
Ms Constance Chapman	Director (non-executive)
Dr Leighton Jay	Director (non-executive)
Mr Ben Oxford	Director (non-executive – Casual Vacancy)
Mr Giles Everist	Director (non-executive – Casual Vacancy)
Ms Jacqueline Hagan	Director (non-executive- Resigned October 2009)
Ms Karen Gadsby	Director (non-executive- Resigned April 2010)
Ms Karen King	Director (non-executive – Joined October 2009 and Resigned April 2010)

Dr Leighton Jay retired as Chairperson in February 2010.

(b) Remuneration of Directors

The total of all remuneration received or due and receivable, directly or indirectly, from Perth Home Care Services Incorporated by all (non-executive) Directors was $Nil (2009 $Nil).

8. Auditor's Remuneration

	2010 $'000	2009 $'000
Amounts received or due and receivable for the audit of the financial reports and funding contract acquittals	42	49

9. Commitments

The Association has entered into commercial leases on office equipment, vehicles, plants and office accommodation where it is not in the best interests of the Association to purchase these assets, or, where government funding agencies have directed the Association to do so. These leases have an average life of 1 to 5 years. There are no restrictions placed upon the lessee by entering into these leases.

	2010 $'000	2009 $'000
Operating Lease Commitments are payable as follows:		
- not later than 1 year	335	317
- later than 1 year and not later than 2 yrs	226	226
- later than 2 yrs and not later than 5 yrs	633	511
- later than 5 years	206	159
Total Commitments Under Operating Leases	**1,400**	**1,213**

10. Financial Instruments

a) Credit Risk

The Association's operations are substantially guaranteed through contractual arrangements and are not concentrated so as to present a significant credit risk.

b) Interest Rate Risk

The Association does not have any loans with external institutions and is therefore not exposed to interest rate risks.

c) Fair Value of Financial Instruments

The carrying amounts of trade receivables, trade creditors, bank and other loans approximate their fair values.

11. Segmental Information

The Association provides services to the aged and people with disability or mental illness and their families and operates wholly within Western Australia

12. Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short-term cash deposits, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2010 $'000	2009 $'000
Cash at Bank and on Hand	217	211
Short Term Bank Deposits	7,174	4,882
Cash at End of Financial Year	**7,391**	**5,093**

(b) Reconciliation of Operating Surplus to Net Cash Flow from Operations

	2010 $'000	2009 $'000
Operating Surplus	**1,002**	**126**
Non-cash items:		
Depreciation	697	563
(Profit)/Loss on Sale of Equipment	29	49
Changes in Assets and Liabilities		
(Inc)/Dec in Debtors and Prepayments	99	(728)
(Inc)/Dec in Accrued Income	(135)	7
Inc/(Dec) in GST Payable	206	31
Inc/(Dec) in Creditors and Accruals	1,487	302
Inc/(Dec) in Employee entitlements	428	435
Inc/(Dec) in Grants Received in Advance	(13)	(682)
Net Cash Provided by Operating Activities	**3,800**	**103**

13. Economic Dependency

A significant proportion of Association's operating income is received from the Home and Community Care and Disability Services Commission Funding. If it was not for these two sources of funding, the Association would find it difficult to maintain the current level of operations.

Staff Service Awards

Office Based Staff with 5 years service as at 30th June 2010

Julie Wulff
Beverly Lawson
Rosie Lawn

Support Worker with 5 years service as at 30th June 2010

Tadeo Gonzalez
Grazyna Glen
Kim McNally
Mavis NcIntosh
Paul Conroy
Barbara Millward
Pamela Dods
Nicole Trainor
Karen Ritchie
Janet James
Jana Legowski
Irene Holmes

Office Based staff with 10 years service as at 30th June 2010

Helene Hazebroek

Support Workers with 10 years service as at 30th June 2010

Marjorie Parker
Melanie Coster
Ian McKenzie

Support Workers with 15 years service as at 30th June 2010

Bronia Garde
Susanne Nakoi
Anne Hanson

Cert 111 Awards

Caroline Bautista
Tania Seal
Ioana Cazangiu
Do Hoang

Awards

Rachel Pittaway (Personal Helpers and Mentors program) awarded the 2009 Mental Health Good Outcomes Award in the category of the Free Hills Mental Health Employee Award.

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