PHCS
PERTH HOME CARE SERVICES

RHCS
REGIONAL HOME CARE SERVICES

Perth Home Care Services

Annual Report 2010/2011

"People living at home with dignity"

Contents

	Page No
Vision, Values, Purpose and Culture	2
Board Profiles	3
Chairperson's Report	5
Chief Executive Officer's Report	7
Statement by the Board of Directors	12
Auditor's Report	13
Financial Statements	15
Staff Service Awards	32

"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. Phil joined the Board of PHCS in 2008 and became Chairperson last 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 to 2006. 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 – 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 – 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 – Giles Everist BSc (Hons) ACA GAICD

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 were 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 organizations face.

Board Member - Dr Angus Buchanan BAppSc (OT) DSM DBA GAICD

Angus Buchanan is a registered Occupational Therapist working in the role of Associate Professor and Deputy Head of School in the School of Occupational Therapy and Social Work at Curtin University, and the Centre for Research into Disability and Society. For the 16 years, prior to commencing at Curtin in 2008, Angus held senior management and leadership roles at the Disability Services Commission of Western Australia. Angus is an active member of the Australasian Society of Intellectual Disability (ASID) currently holding the positions of President, WA Region and Vice President of Australasia. Angus joined the Board in 2010. As well has having a strong research background in contemporary disability practice he brings an extensive senior executive experience of working within the disability sector in Western Australia across policy, program and operational areas.

Board Member - Ben Oxford M.Ed; B.Prof Std; B.Teach; MAICD
(Until May 2011)

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 15 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 nine years experience at Board of Management level and believes in the person centred approach to care.

Deputy Chairperson - Trevor Goddard
(Until October 2010)

Trevor joined the board of PHCS in 2002 and served as Deputy Chairperson from 2007 to 2010. He was 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
(Until October 2010)

Leighton has been a member of the PHCS Board since 1999. He was the Deputy Chairman 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.

Chairperson's Report

It is with great pleasure that I present my second report as Chairperson of Perth Home Care Services. The past 12 months have been an exciting time for the organisation and we find ourselves very well placed to extend our growth and grasp new opportunities in this coming year and the years ahead.

Undoubtedly one of the highlights of the year for the whole health sector was the WA Government's $1billion Social Services Package, announced in its budget earlier this year, for the 2011-12 year and beyond. We congratulate them for this significant commitment. The package includes $600million to be allocated over the next 5 years "to support the development of sustainable not-for-profit (NFP) service delivery now and into the future, and to address historical funding shortfalls that have emerged in service agreements with NFP organisations". This is indeed outstanding news for all sectors and, dare we say, long overdue. It has been recognised for a number of years that government funding to NFP's across the community sector has been inadequate and has not increased at a rate to keep up with rapidly increasing costs. This has been exacerbated in WA by the record low unemployment driven by the mining boom four or five years ago, and as the boom returns as we come out of the global financial crisis we all find ourselves in the same position. So the State Government's recognition of these issues will allow all NFP's to address some of these challenges we have faced for some time.

Following on from this, our people are still our most important asset, and attraction and retention of good people remains our high priority. Competition for staff, both within the NFP area and with outside industries, along with high wages being offered in many areas of the State, makes this one of our most pressing challenges. We have to continue to be a preferred employer and strive to maintain our advantage in this most critical area.

A year ago we made a conscious decision as an organisation to 'raise our profile'. We saw this as important across three areas.

- Firstly as a marketing exercise to increase the public awareness of PHCS – the 'who we are and what we do'. To this end we have this year completed a Strategic Marketing Plan, and the rollout of the strategies has commenced.
- Secondly to take advantage of our scale and our reputation to be in the strongest position to look at new opportunities and continue to grow our activities. Although this sounds like a competitive stance, we believe that our experience to date in moving towards a person centred approach across the organisation puts us in a leading position in the sectors in which we participate.
- And finally to leverage our size and strength to positively influence key people and organisations, both in Government and outside. Marita has been outstanding in leading the way in this area this year, and others across PHCS are working towards this goal as well. It takes time and commitment, and can detract from the operation of the organisation, but we see it as highly important and therefore priorities have to be balanced. We have had the opportunity to make significant input into a number of key Government reports, studies and committees, particularly in areas where there is a strong drive towards self directed support and services. I think we are making a difference and the time and effort has been very effective.

In terms of our ongoing provision of services, it has been a very strong year. Our service provision and in particular our services to those with disabilities have increased by more than 15% which is well ahead of our target, with the strongest growth being in the disability area. Whilst opportunities for growth continue to be plentiful, we have to remain diligent in ensuring we grow in the right areas and within our means. Securing good staff is still the main constraint, and management of a rapidly growing organisation remains a challenge. To this end we are currently involved in a significant review of our structure and our IT systems. Both are overdue and are important in ensuring we are in top shape for the next five years. This will put us in a stronger position to efficiently provide services to the people we support.

One important area where the Board and Management have made significant progress during the past 12 months is risk management. A lot of work has been done to identify the key high level risks we face in PHCS and to ensure we have well defined action plans to manage those risks and address any shortfalls. This is very much still work-in-progress but we are well down the path. This year we have also introduced an Audit Committee under the Board structure, chaired by Connie Chapman. We believe our size now warrants such a committee, whose role will be to ensure the integrity of the organisation's processes and procedures relating to internal control and reporting, including financial reporting. They will provide an 'independent' reassurance to the Board through their oversight and monitoring role.

Finally, we have seen a number of Board changes over the past 12 months. Long serving Directors Leighton Jay and Trevor Goddard left at the end of last year and their experience and contribution has been missed. I am sad to say that Ann Kelly, who has served on the Board for 9 years, is retiring following this year's AGM. We thank Ann for her tireless input. During the year Ben Oxford also departed after taking up a key management role with St Ives Group and as such being unable to remain on the PHCS Board. We are very fortunate to have been joined by Angus Buchanan and Deborah Pearson, who both bring extensive sector experience. We have two vacancies to fill over the next few months and in particular we are looking for one Director with "lived experience" to bring some new perspective. I thank the Board for their support and direction.

I thank Marita and her Management Team and everybody in PHCS who has contributed to our success over the past 12 months. It has been an exciting time and there are many signs that there is better yet to come.

Phil Thick

Chairperson

CEO's Report

This year I want to start my report by acknowledging the value and importance of the people who work for Perth and Regional Home Care Services.

During the second half of 2010 it was my privilege to celebrate the 40th Anniversary of the organisation with staff at their regular local meetings. In true PHCS style this involved a large, decorated cake on each of the 22 occasions. At almost all these celebrations there were people and families we support who came to share their experience of receiving assistance from us. All were heart warming and many inspirational.

I also asked how we could do things differently and better and spoke to many people individually. This opportunity was invaluable, and a small example of how we want to have meaningful conversations and partnerships throughout the organisation. We continue to develop our values and skills to work in a person centred way and made it a priority to provide two days titled 'See Me, See You" to all staff. This has been facilitated by working in partnership with Durack College with funding secured from the Department of Employment, Education & Workplace Relations.

There is clear international evidence that positive staff engagement creates better outcomes. The criteria for determining staff engagement are also well known and able to be better met by all organisations. One way in which we have sought information from our staff is through the Your View survey. The return rate from our approximately 900 staff was a respectable 41%. Ninety six per cent of respondents strongly agreed or agreed that 'I know what is expected of me at work' however only seventy per cent noted that 'in the last six months I have talked to someone about my progress'. This gives us areas to work on and a baseline for the future.

A major milestone in June 2011 was the completion of the first 18 month period of work on our 2010-20 strategic plan. The review showed significant evidence of effort and achievement and some areas which need more focus or a different approach.

One of our strategic goals is to ***Influence relevant stakeholders in relation to consumer directed funding, housing and the person centred approach***.

There has been activity in relation to Federal enquires, State initiatives and with colleague agencies and peak bodies across the sectors. PHCS provided submissions and follow up comment to inquiries and draft reports by the Productivity Commission for Disability Care and Support as well as Caring For Older Australians. We appeared at the Perth hearing for the Productivity Commission's Disability Care and Support inquiry. We were pleased to see that our values around putting the person at the centre of support and individual choice and control of supports and services were reflected in both the draft reports and final reports of both inquiries.

The key state initiative was implementation of the Economic Audit Committee report 'Putting the Public First'. PHCS has been active in promoting self-directed services in a range of forums across the disability and mental health sectors. We have facilitated and encouraged people we support to speak at public events including 'Everyday Lives, Everyday Communities' and 'My Life, My Way'. Executive members have been actively involved in

the establishment of the organisation Western Australian Individualised Services (WAIS). WAIS will promote a collaborative approach between agencies involved in individual services to further develop expertise and experience, and to share this with other agencies. Membership of the Aged & Community Services WA Community Care Committee and the Western Australian Association for Mental Health has enabled close involvement in strategic sector matters.

The Mental Health Commission's first year of operation has been significant in terms of consultation, capacity building and laying the ground work for a more contemporary approach and increased investment. At the same time there were Federal budget announcements of increased mental health funding. The time was right for PHCS to run the Allies in Change program. Allies in Change is a leadership development program that invites participants who are consumers, family members, government and non-government agency workers to come together to learn about good things happening in other places, and skills to advocate in small and large ways for change for themselves and the system. The journey, over a period of six months, has been extraordinary for the participants. They have worked thoughtfully and collaboratively and will no doubt exert real influence in the future.

It is truly satisfying to reflect on our goal to ***strengthen our capacity to engage and create space to hear the voice of people we support***.

A key event was 'Your Way, Our Future' held in March 2011. A wide range of people we support came together with staff and other stakeholders to explore choice and control of supports and services. There was discussion about what bold steps could be taken in order to make this a reality in their lives. Those in the room who heard people's stories, opinions and ideas were humbled by the power of the conversations. There have been other events and projects undertaken by community services teams that have focussed on 'hearing the voice' that have led to changes being made in the way we do things.

Another way in which we have developed people and families as partners in the organisation, is development and expansion of the Peer Support role particularly within the mental health program. A family carer has also been employed to liaise particularly with older carers.

We have worked together with Vela Microboards Australia to develop ideas and practice around family leadership, to understand what it takes in order to hear families and understand the best way to support them in having control over their supports and services.

From a business process perspective there has been a focus on implementation of the human resource software Aurion. This has not been without its challenges; however the various modules are now operational and beginning to provide the information and reports required. The other major project has been the scoping of requirements and selection of a replacement for our 'client management' software. A thorough and rigorous selection process has been undertaken and we look forward to the implementation in the coming year. As part of the Strategic Marketing plan new organisational brochures have been developed and work begun on the redesign of the PHCS website.

Learning and growth has been a strong focus of PHCS which has been facilitated by the capacity building funding we have had over the past four years. This project has been called

Partners in Practice and encompassed a range of initiatives. It has been a precious opportunity to develop and deliver training (Partners in Change), try out new roles (Inclusion Coaches, Guides, Peer Support Workers), develop innovative ways to meet individual respite needs, focus on young carers and look at more effective ways to assist people to plan for a better future. The final Partners in Change program funded by the capacity building project was tailored for Aboriginal people. It was run in Northam and was well received by participants and other local stakeholders.

Over the past year the Big Plan initiative has involved three groups of six to seven people living with mental illness, who have met over a number of months. The question they have each considered is 'What would it take for (name) to lead an interesting and fulfilling life where they can meet people who will become their friends, and where they can contribute to their community?' Each person developed an individual plan that included an action plan including a small amount of non-recurrent funds to assist the implementation.

The outcomes have been independently evaluated and shared with key stakeholders in mental health. The results have been hugely positive both for the individuals, the project staff and the organisation. An evaluation of Partners in Change has been completed, and we have also documented the valuable learning from the Partners in Practice project. It was very good news to hear that the mental health funding stream from FAHCSIA (Families and Housing, Community Services & Indigenous Affairs) will continue as part of the Targeted Community Care program.

In 2010-11 PHCS, with funding from Health Workforce Australia and the Disability Services Commission, continued to prototype homesharing. Homesharing is a mutually beneficial relationship where by a householder who needs support shares their home with a person who needs a home (a homeshare). The HWA funding focussed on the role of homesharer with elderly people and the DSC funding focused on the particular elements that make homesharing successful for people with disabilities. At the end of June, ten homeshare arrangements were in place. Evaluations of both Homeshare streams have been completed providing insights for the development of homesharing in the future.

For the next period the executive team have thought carefully and deeply about the goals for the 2011-14 period and the strategies for 2011-12. Two priority strategies are:

1. Restructure the organisation to meet the strategic direction, role and functions into the future.
2. Develop a Training and Development Plan.

I have no doubt that the next year will be a demanding and exciting time for all of us at PHCS.

Marita Walker

Chief Executive Officer

This page has been
left blank intentionally

PERTH HOME CARE SERVICES INC
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Statement by the Board of Directors

The Board of Directors has determined that Perth Home Care Services Inc 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 Inc has been drawn up to fairly present:

1) The state of affairs of the Association as at 30 June 2011;
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 prepared in accordance with the basis of accounting as described in this report.

Signed on behalf of the Board

Phil Thick

Chairperson

27th September, 2011

Constance Chapman

Director

27th September, 2011

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 (0) 8 9365 7000
Fax: +61 (8) 9365 7001
www.deloitte.com.au

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 (the "Association"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Association's Board of Director's declaration.

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

The Association's Board of Directors is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the financial reporting requirements of the Perth Home Care Services Inc's Constitution and is appropriate to meet the needs of the members. The Board of Director's responsibility also includes such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 judgment, 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 Association'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 Association'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.

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 Limited

Deloitte

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 2011 and 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 of the financial report.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist Perth Home Care Services Inc to meet the financial reporting requirements of the Perth Home Care Services Inc's constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Members of Perth Home Care Services Inc and should not be distributed to or used by parties other than the Members of Perth Home Care Services Inc.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Nicoloff
Partner
Chartered Accountants
Perth, 27 September 2011

PERTH HOME CARE SERVICES INC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 $'000	2010 $'000
OPERATING REVENUE			
Government Funding			
Home and Community Care		8,150	7,580
Disability Services Commission		18,566	15,661
Community and Extended Aged Care		3,747	2,843
Hospital Contracts		3,670	3,226
Mental Health Commission		810	780
National Respite for Carers		392	369
Families and Community Services		1,718	1,566
Other Funding		294	35
Non-Recurrent Grants – Non-capital	1(h), 2(a)	63	89
Non- Recurrent Grants - Capital	1(h), 2(a)	15	515
Total Government Funding		**37,425**	**32,664**
Other Fees and Income			
Fee for Service – Individuals and Organisations		540	597
Client Fees – Aged Care and Others	2(b)	647	624
Donations		4	33
Gain/ (Loss) on Disposal of Fixed Assets		32	(29)
Other Income	2(c)	850	395
Interest Received	2(d)	752	342
Total Other Income		**2,825**	**1,962**
Total Revenue		**40,250**	**34,626**
OPERATING EXPENDITURE			
Direct Care Service Costs		23,608	19,598
Indirect Care Service Costs		7,015	6,707
Administration Overheads		5,580	5,300
Depreciation	3(b)	780	697
Total Operating Expenditure		**36,983**	**32,302**
OTHER EXPENDITURE			
Provision for Unspent Grants	1(b)(i)	1,233	1,322
NET SURPLUS FOR THE YEAR		**2,034**	**1,002**

PERTH HOME CARE SERVICES INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 $'000	2010 $'000
CURRENT ASSETS			
Cash and Cash Equivalent	4	9,499	7,391
Trade and Other Receivables	5	2,353	1,883
TOTAL CURRENT ASSETS		**11,852**	**9,274**
FIXED ASSETS			
Property, Plant and Equipment	6	6,556	6,935
TOTAL FIXED ASSETS		**6,556**	**6,935**
TOTAL ASSETS		**18,408**	**16,209**
CURRENT LIABILITIES			
Trade and Other Payables	7	4,676	4,658
Provisions for Employee Entitlements	8	2,309	1,608
TOTAL CURRENT LIABILITIES		**6,985**	**6,266**
NON-CURRENT LIABILITIES			
Provisions for Employee Entitlements	8	390	767
TOTAL NON-CURRENT LIABILITIES		**390**	**767**
TOTAL LIABILITIES		**7,375**	**7,033**
NET ASSETS		**11,033**	**9,176**
MEMBERS' FUNDS			
Retained Earnings	9	9,062	7,028
Reserves	9	1,971	2,148
TOTAL MEMBERS' FUNDS		**11,033**	**9,176**

PERTH HOME CARE SERVICES INC
CASH FLOW STATEMENT
FOR THE YEAR ENDING 30 JUNE 2011

	Notes	2011 $'000	2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		4,920	2,655
Interest Received		752	420
Grants Received		33,039	30,337
Operating Expenditure		(36,056)	(29,612)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14(b)	**2,655**	**3,800**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1,128)	(2,068)
Proceeds on Sale of Fixed Assets		581	566
NET CASH USED IN INVESTING ACTIVITIES		**(547)**	**(1,502)**
NET INCREASE IN CASH HELD		2,108	2,298
CASH AT BEGINNING OF THE YEAR		7,391	5,093
CASH AT END OF YEAR	14(a)	**9,499**	**7,391**

PERTH HOME CARE SERVICES INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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) Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the applications of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant Accounting Judgements

The Association has entered into leases of premises and office equipment as disclosed in Note 12. Management has determined that all of the risks and rewards of ownership of these premises and equipment remain with the lessor and has therefore classified the leases as operating leases.

Significant Accounting Estimates and Assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain liabilities within the next annual reporting period are:

1. Significant Accounting Policies (continued)

(b) Significant Accounting Judgements, Estimates and Assumptions (continued)

(i) Provision for Unspent Grants

Unspent grants are transferred to a liability account through the profit and loss account to recognise the Association's obligation to either repay these grants to funding bodies or apply against funding in the next financial year. The amounts are based on estimates of the dollar value of the difference between contracted output and actual output after deducting operating expenses. The total amount set aside as unspent grants for the 2010-2011 financial year was $1,233,200.

(ii) Provision For Employee Benefits

Provisions for employee benefits payable after twelve months from the reporting date are calculated using future wage and salary levels, experience of employee departures and expected period of service, as discussed in Note 1(i). The amounts of these provisions would change should any of these factors change in the next twelve months.

(c) Income Tax and Goods and Services Tax

Under the provisions of the current income tax legislation, Perth Home Care Services Inc 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. The Association holds deductible gift recipient status.

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Tax Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Trade receivables and trade payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Tax Office is included as part of the receivables or payables.

(d) 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.

1. Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

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

	2011 % pa	2010 % 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

An item of property, plant and equipment is derecognised upon disposal when the item is no longer used in the operations of the Association or when it has no sale value. Any gains or losses on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

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.

1. Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

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 de-recognition 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.

(e) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid. These amounts are usually settled with the creditors credit terms. That carrying amount of the creditors and payables is deemed to reflect fair value.

(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) 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 is purchased. Unexpended grants which are required to be carried over into the next financial year are maintained in the Grants in Advance account.

1. Significant Accounting Policies (continued)

(h) Commonwealth and State Capital Grants (continued)

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
1995-2007	Buildings and Vehicle Modifications	LotteryWest	729
1995-1996	Building and Vehicles	HACC	430
2000-2006	Vehicles and Equipment	DHAS (CACP)	101
2004-2005	Vehicle	DHAS (NRCP)	33
2005-2007	Vehicles	DSC	220
2007-2008	Building Refurbish	Lotterywest	400
2007-2008	Vehicles	DSC	95
2008-2009	Vehicles	HACC	88
2008-2009	IT	DSC	87
2009-2010	Vehicles	DSC	58
2009-2010	IT and office Refurbishment	LotteryWest	327
2009-2010	Vehicles and Equipment	Dept. Of Health and Ageing	43
2009-2010	IT Systems Improvements	DSC	87
2010-2011	Vehicle Modification	DSC	15
Total			**2,713**

(i) Employee Benefits

Employee benefits comprise of wages and salaries, annual, accumulating sick and long service leave and contribution to superannuation plans.

Liabilities for wages and salaries expected to be settled within twelve months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within twelve months after the end of the period in which the employee render the related services are recognised in the provision for annual leave.

1. Significant Accounting Policies (continued)

(i) Employee Benefits (continued)

Both liabilities are measured at the amounts expected to be paid when Liabilities are settled. Liabilities for accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

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. Considerations are given to experience of employee departures and period of service.

(j) 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 are performed or conditions fulfilled that are specific to each contract. Revenue from non-reciprocal grants is recognised as and when received.

Reciprocal Grants

Government Funders	Conditions
Disability Services Commission (DSC)	Delivery of Direct and Indirect Services Payment of Grants
Home and Community Care Program (HACC) State Mental Health Commission National Respite for Carers Program (NRCP) Hospitals Personal Helpers and Mentors Programs	Delivery of Direct Services
Families, Housing, Community Services and Indigenous Affairs	Project Milestones

Non-reciprocal Grants

Government Funders	Conditions
Community Aged Care Packages (CACP) Extended Aged Care at Home Packages (EACH)	Delivery of Direct Services to Eligible Clients Per Day Per Package

2. Revenue

	2011 $'000	2010 $'000
(a) Non-recurrent Grants – Non Capital		
EACH	-	53
CACP	-	36
DSC	63	-
	63	**89**
Non-recurrent Grants - Capital		
DSC Projects and Vehicle modifications	15	145
Lotterywest Grants	-	327
Department of Health and Ageing	-	43
	15	**515**
(b) Client Fees – Aged Care and Others		
HACC	347	329
CACP	160	181
EACH	108	65
NRCP	13	14
DSC	3	6
Homeshare	12	20
Others	4	9
	647	**624**
(c) Other Income		
Staff Motor Vehicle Contributions	159	151
Staff Salary Package Fees	73	67
Traineeship Grants	108	5
Unencumbered Grants	403	-
Consultancy Services	96	132
Others	11	40
	850	**395**
(d) Finance Income		
Interest Received - Short Term Deposits	**752**	**342**

	2011 $'000	2010 $'000
3. Expenses		
(a) Employee Benefit Costs		
Wages and Salaries	20,548	18,259
Superannuation	2,139	1,724
Workers Compensation Costs	722	625
Support Worker Travel Reimbursement	2,256	2,034
	25,665	**22,642**
(b) Depreciation		
Motor Vehicles	432	378
Buildings and Fixtures and Fittings	109	38
Computers and Office Equipment	233	268
Lease Improvements	6	13
	780	**697**
4. Cash and Cash Equivalent		
Cash at Bank and In Hand	199	217
Short Term Deposits	9,300	7,174
	9,499	**7,391**
5. Trade and Other Receivables		
Trade Debtors	906	827
Less: Provision for Doubtful Debts	(7)	(7)
	899	820
Prepayments	770	668
Accrued Debtors	684	395
	1,454	1,063
	2,353	**1,883**

6. Property, Plant and Equipment

	Cost and Valuation $'000	Accumulated Depreciation $'000	WDV 2011 $'000	WDV 2010 $'000
Land and Buildings				
Land – At Valuation 2011	2,169	-	2,169	2,383
Buildings – At Valuation 2011	1,381	-	1,381	1,382
Total Land and Buildings	**3,550**	**-**	**3,550**	**3,765**
Fixtures and Fittings	712	262	450	512
Computer Equipment	838	450	388	438
Office Furniture and Equipment	535	79	456	515
Motor Vehicles	2,256	557	1,699	1,686
Lease Improvements	32	19	13	19
Total Plant and Equipment	**4,373**	**1,367**	**3,006**	**3,170**
Total Fixed Assets	**7,923**	**1,367**	**6,556**	**6,935**

	Freehold Land and Buildings $'000	Fixtures and Fittings $'000	Computer Equipment $'000	Plant and Equipment $'000	Motor Vehicles $'000	Lease Improv 'ments $'000	Total $'000
Cost or fair value							
At 1 July 2010	3,900	703	786	546	2,126	32	**8,093**
Additions	-	9	122	14	983	-	**1,128**
Disposals	-	-	(70)	(25)	(853)	-	**(948)**
Revaluation Decrement	(350)	-	-	-	-	-	**(350)**
At 30 June 2011	**3,550**	**712**	**838**	**535**	**2,256**	**32**	**7,923**
Accumulated Depreciation							
At 1 July 2010	135	191	348	31	440	13	**1,158**
Charge for the year	38	71	171	62	432	6	**780**
Disposals	-	-	(69)	(14)	(315)	-	**(398)**
Write-back accumulated depreciation	(173)	-	-	-	-	-	**(173)**
At 30 June 2011	**-**	**262**	**450**	**79**	**557**	**19**	**1,367**
WDV 2011	**3,550**	**450**	**388**	**456**	**1,699**	**13**	**6,556**
WDV 2010	**3,765**	**512**	**438**	**515**	**1,686**	**19**	**6,935**

6. Property, Plant and Equipment (continued)

Valuations WA, an independent accredited valuer, was engaged by the Association to determine the fair value of its land and buildings. In determining the value, regard has been given to the direct sales comparison approach 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. The review led to the recognition of impairment loss of $350,000 of which $173,000 has been reversed against accumulated amortisation and $177,000 against the asset revaluation reserve. The effective date of the revaluation decrement was 30 June 2011.

	2011 $'000	2010 $'000
7. Trade Creditors and Other Payables		
Trade Creditors	430	167
Grants Received in Advance	999	1,371
Accrued Expenses	905	1,284
GST Payable	521	514
Provision for Unspent Grants	1,821	1,322
	4,676	**4,658**
8. Provision for Staff Entitlement		
Leave Entitlements		
a) Current		
Annual leave	1,485	1,298
Long service leave	824	310
	2,309	**1,608**
b) Non-current		
Long service leave	390	767
Total leave Entitlements	**2,699**	**2,375**

8. Provision for Staff Entitlement (continued)

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 relevant expenses:

2010-2011 Benefit Type	Cash Entitlement $'000	Superannuation $'000	Other $'000	Total $'000
Annual Leave	1,303	117	65	**1,485**
Long Service (Current)	723	65	36	**824**
Long Service (Deferred)	342	31	17	**390**
Total	**2,368**	**213**	**118**	**2,699**

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**

9. Movements in Equity and Reserves

	Balance 1 July 2010 $'000	Asset Revaluation Decrement $'000	Net Profit for the year $'000	Balance 30 June 2011 $'000
Asset Revaluation Reserve	2,148	(177)	-	**1,971**
Retained Earnings	7,028	-	2,034	**9,062**
Total	**9,176**	**(177)**	**2,034**	**11,033**

10. Directors Disclosure

(a) Directors

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

	Year Appointed	Date of Cessation
Phil Thick (Chair)	2008	-
Constance Chapman (Deputy Chair)	2009	-
Angus Buchanan	2010	-
Giles Everist (Casual Vacancy)	2010	-
Ann Kelly	2002	-
Trevor Goddard	2003	Oct 2010
Leighton Jay	1999	Oct 2010
Ben Oxford (Casual Vacancy)	2010	May 2011

(b) Remuneration of Directors

The total of all remuneration received or due and receivable, directly or indirectly, from Perth Home Care Services Inc by all (non-executive) Directors was $Nil (2010 $Nil).

11. Auditor's Remuneration

	2011 $'000	2010 $'000
Amounts received or due and receivable for the audit of the financial reports and funding contract acquittals	**37**	**42**

12. Commitments and Contingencies

Operating Lease Commitments are payable as follows:		
Within one year	227	335
After one year but not later than five years	442	859
More than five years	-	206
Total Commitments Under Operating Leases	**669**	**1,400**

13. Segment Information

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

14. 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:

	2011 $'000	2010 $'000
Cash at Bank and on Hand	199	217
Short Term Bank Deposits	9,300	7,174
Cash at End of Financial Year	**9,499**	**7,391**

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

Operating Surplus	2,034	1,002
Non-cash items:		
Depreciation	780	697
(Gain)/Loss on Disposal of Fixed Assets	(31)	29
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(470)	(36)
Increase in Trade and Other Payables	390	1,693
Increase in Employee entitlements	324	428
Decrease in Grants Received in Advance	(372)	(13)
Net Cash Provided by Operating Activities	**2,655**	**3,800**

15. Economic Dependency

The Association is dependent upon the receipt of grants from the Federal and State Governments. A significant proportion of Association's operating income is received from the Home and Community Care and Disability Services Commission Funding for the provision of disability and aged care services to individuals within the Western Australia community. As at the date of this report, total funding of $44,821,000 has been approved for the year ended 30 June 2012, which is sufficient to meet all contracted agreements of the Association for the period of twelve months from the date of this report.

16. 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

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Association is exposed to interest rate fluctuations on its cash at bank and cash on deposit. Interest rates for cash at bank and on deposit are actively monitored to maximise interest income. The Association does not have any loans with external institutions and is therefore not exposed to interest rate risks associated with these instruments.

c) Fair Value of Financial Instruments

The carrying amounts of trade receivables, trade creditors approximate their fair values.

17. Events After The Reporting Date

No events or circumstances have occurred since the reporting date that would have a material impact on the financial statements.

Staff Service Awards

Office Based Staff with 5 years service as at 30th June 2011

Ann Kelly
Danuta Fullwood
Dianne Bland
Donna Williams
Gelinda Kock
Kate O'Neill
Margaret Ranson
Marian Sambell
Susan Sherley
Xiao Ying Ma
Sharon Gould

Support Worker with 5 years service as at 30th June 2011

Ann Mauri
Celine Kelly
Cheryl Mews
Christine Hill
Cindy Ballard
Corinna Simons
Deborah Gibbins
Diane Rainsford
Donna Morgan
Helen Socorro
Jacqueline Hatton
Jane Martin
Jean Richards
Jennifer Herd
Jill Henry
John Freeman
Julie Gresch
June Masson
June McCormick
Katrina Mirco
Kerry McGuiness
Margaret Plain
Marina Bedford
Maureen Hill
Pauline Maxwell
Roslyn Solberg
Roy Houghton
Ruth Waylor
Samatha Foo
Sana Catovic
Stephen Davey
Susan Gentle
Susan Dyball
Susette Johnson
Tracey MacCulloch
Victorine Karutjindo
Donelle Hermans

Office Based staff with 10 years service as at 30th June 2011

Monika Henneveld
Wendy Francis

Support Workers with 10 years service as at 30th June 2011

Tony Hunt
Carolyn Rickards
Fay Kennedy
Gemma Stevens
Jerome Kennedy
Marianne Cross
Rosslyn Taylor
Sandra Lorrimar
Sharon Robertson
Silvia Giuffre

Office Based staff with 15 years service as at 30th June 2011

Brigitte Danzinger
Sandra De Munnik

Support Workers with 15 years service as at 30th June 2011

Carol Atkinson
Ellen Wright
Jan Tromp
Lesley Driscoll
Lynda Tysoe
Wendy Ibbotson
Yvonne McArdle

PHCS
PERTH HOME CARE SERVICES

Email: admin@phcs.org.au
Website: www.phcs.org.au
Phone: 9204 7800

Perth Home Care Services
30 Hasler Road (level 2)
Osborne Park WA 6017

Unit 1, 234 Berrigan Drive
Jandakot WA 6164

RHCS
REGIONAL HOME CARE SERVICES

Regional Home Care Services
Level 1, Lotteries House
3/114 Sanford Road
Geraldton WA 6530
Phone: 9920 7600

98 Stirling Terrace
Toodyay WA 6566
Phone: 9574 9800