

**Permanent
Care and
Adoptive
Families**



Annual Financial Statements

Permanent Care and Adoptive Families

ABN 50 562 164 576

For the year ended 30 June 2022

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	NOTE	2022	2021
Statement of profit or loss and other comprehensive income			
Revenue			
Government revenue			
Victorian Government			
Department of Families, Fairness & Housing - recurring		647,630	349,558
Department of Families, Fairness & Housing - Covid-19		101,666	-
OzChild flexifunding administration - recurring		465,756	102,689
OzChild - FlexiFund Additional		-	321,740
OzChild - FlexiFund COVID		109,291	50,140
Other State Government Revenue		15,600	20,000
Total Victorian Government		1,339,943	844,128
Commonwealth government			
JobKeeper Grant		-	126,450
Other Federal Government Revenue		-	30,738
Total Commonwealth government		-	157,188
Total Government revenue		1,339,943	1,001,316
DGR Gift Income		5,840	2,139
Interest revenue calculated using the effective interest method on financial assets at amortised cost		2,833	2,681
Total Revenue		1,348,616	1,006,136
Expense			
Audit Fees		(3,076)	(3,000)
Accounting Fees		(24,582)	(19,384)
Board/Governance Expenses		(12,754)	(9,643)
Bank and credit card charges		(355)	(310)
Carer Assistance Program Expenses		(12,000)	-
Computer and IT related expenses		(28,823)	(59,810)
Contractor costs		(16,127)	(58,884)
Consulting costs		(17,379)	(69,800)
Depreciation expense - plant and equipment		(7,975)	(9,957)
Employee benefits - salaries		(764,818)	(599,938)
Employee benefits - superannuation defined contributions		(70,909)	(52,520)
Employee EAP, training and development		(27,852)	(8,437)
Equipment Hire		(1,500)	(1,500)
Events & Fundraising Expenses		-	(2,573)
Insurance		(20,216)	(16,484)
Meeting Expenses		(51)	-
Membership Fees Paid		(2,811)	(680)
Office Expenses		(16,372)	(3,587)
Phone, Fax & Internet		(8,087)	(8,525)

	NOTE	2022	2021
Post, Freight & Courier		(5,154)	(304)
Publications & Info Resources		-	(896)
Recruitment Expense		(88,405)	(59,177)
Rent & Outgoings		(23,416)	(15,043)
Peer Support Costs		(31,088)	(30,000)
Volunteer Costs		(1,467)	(1,126)
Total Expense		(1,185,217)	(1,031,575)
Surplus (loss) for the year		163,399	(25,439)

The above statement of financial performance should be read in conjunction with the accompanying notes

Statement of financial position

As at 30 June 2022

	NOTE	2022	2021
Statement of Financial Position			
Assets			
Current Assets			
Cash and cash equivalents - at amortised cost		289,858	350,510
Trade receivables - at amortised cost		20,402	2,135
Short term deposits - at amortised cost		501,559	500,000
Prepayments		43,695	6,402
Total Current Assets		855,514	859,047
Non-current Assets			
Plant and Equipment - at cost		27,783	22,585
Less Accum Depn Plant & Equip		(15,079)	(7,143)
Total Non-current Assets		12,704	15,442
Total Assets		868,218	874,490
Liabilities			
Current Liabilities			
Financial liabilities at amortised cost			
Trade payables - at amortised cost		132,875	136,209
Other payables - at amortised cost		13,423	4,945
Unspent Grants - at amortised cost		-	202,103
Total Financial liabilities at amortised cost		146,299	343,257
Employee benefits		67,984	40,697
Total Current Liabilities		214,283	383,954
Total Liabilities		214,283	383,954
Net Asset		653,935	490,536
Equity			
Retained surpluses		653,935	490,536
Total Equity		653,935	490,536

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2022

	NOTE	2022	2021
Equity			
Balance			
Opening Balance		490,536	515,975
Current Year Earnings		163,399	(25,439)
Total Balance		653,935	490,536

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2022

	NOTE	2022	2021
Statement of cash flows			
Cash and cash equivalents			
Cash flows from operating activities			
Grants and funding		1,109,814	1,011,926
Interest received		2,833	2,681
Other revenue		15,600	208,470
Payments to suppliers and employees (inclusive of GST)		(1,182,102)	(904,465)
Net cash from/(used in) operating activities		(53,856)	318,612
Cash flows from investing activities			
Payments for property, plant and equipment		(5,237)	(5,085)
Redemption/(Increases) of term deposits		(1,559)	(250,000)
Net cash used in investing activities		(6,796)	(255,085)
Cash flows from financing activities			
Net cash from financing activities		-	-
Total Cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(60,651)	63,527
Cash and cash equivalents at the beginning of the financial year		350,510	286,983
Cash and cash equivalents at the end of the financial year		289,859	350,510

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2022

Note 1: Basis of preparation

Permanent Care & Adoptive Families (PCA Families) Inc is a medium sized registered charity with the Australian Charities and Not-for-profit Commission, and a Tier 3 incorporated association registered and domiciled in Victoria, Australia. It's registered office and principal place of business is at Level 4, Ross House, 247 - 251 Flinders Lane, Melbourne VIC 3000.

1.1 PCA Families' purpose, nature of operations and activities

Our vision: Every child who cannot live permanently with their birth parents thrives in a strong, stable, and permanent family. Our purpose: Permanent care, kinship care and adoptive families have committed to helping their children thrive and we are committed to helping them do it.

Our mission: We advocate on behalf of and deliver peer support and other trauma informed services for permanent care, kinship care and adoptive families. We inform, upskill and empower our parents/carers to advocate strategically for the services and support their children and our communities need. Our independent support is trusted by our families and often critical to their success.

PCA Families is a member based organisation, using government and other grants to provide its services.

PCA Families' principal activities are providing a helpline and peer support programs, assisting OzChild to deliver the Department of Fairness, Families and Housing Victoria's Flexible Funding scheme to eligible permanent carers, children under Family Law Court Orders and special needs adoption families, and advocating on behalf of members to government.

1.2 General purpose financial statements - Tier 2 Simplified disclosures

PCA Families' general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board, the Victorian Associations Incorporation Reform Act 2012, and the Australian Charities and Not-for-profit Commission Act 2012. PCA Families is a not-for-profit individual entity for the purpose of preparing financial statements.

1.3 Accruals and historical cost basis

The financial statements have been prepared on an accruals and historical cost basis, and do not take into account changing money values, except where specifically stated.

1.4 Australian dollar and Rounding of amounts

Amounts in the financial statements have been rounded to the nearest Australian \$.

1.5 Date of authorisation

The financial statements were authorised for issue on 24 October 2022 by the Board of Directors.

Notes to the financial statements (cont.)

For the year ended 30 June 2022

Note 2: Significant changes in accounting policies

2.1 New and amended accounting standards effective for 30 June 2022

The amended accounting standards effective for 30 June 2021 applicable to PCA Families are:

- 1060 "General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities" - early adopted in 2020
- IFRS Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement (April 2021). The impact of this standard has resulted in CRM development cost of \$36,000 being expensed as incurred in Computer and IT costs. There was no impact on prior periods.

2.2 New or amended Accounting Standards and interpretations not yet effective

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and their impact has not yet been assessed

Notes to the financial statements (cont.)

For the year ended 30 June 2022

Note 3: Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

PCA Families recognises revenue as follows:

Government grants

Revenue from government grants is recognised at the fair value of the consideration received when the grant is controlled, unless there is a performance obligation, or a liability to return the funds. Where there is a performance obligation, revenue is recognised as performance occurs, either over time or at a point in time. Where there is a liability, revenue is recognised when the liability is extinguished. The accounting policies for each of PCA Families' key grants sourced from the Victorian government are set out below:

Victorian government grant

The Victorian Department of Fairness, Families and Housing (DFFH) has a service agreement with PCA Families from 1 July 2019 to 30 June 2024 to identify and count the number of Flexible Funding packages provided to eligible permanent carers, children under Family Law Court Orders and special needs adoption families. The funds are received in advance in monthly instalments. The performance obligation to identify and count the packages occurs daily, with revenue recognised evenly on a daily basis throughout the year. These funds are used to operate PCA Families helpline services and link young people on permanent care orders with Better Futures providers. Additional non-recurrent funding was received as a result of Covid-19. In the event that not all funds are spent by reporting date, DFFH has a right to recall the funds during the subsequent six months. Accordingly, an Unspent grants liability is recognised until the six month period has expired. Such liabilities are classified as current liabilities. DFFH may cease providing recurrent funding with three months' notice if government policy or budget considerations change.

Unspent grants liabilities that expire are recognised as revenue.

OzChild - administration of Victorian government flexible funding packages

DFFH has a service agreement with Children Australia Inc (trading as OzChild) to administer Flexible Funding packages from 1 July 2019 to 30 June 2024. OzChild sub-contracts to PCA Families the processing and approval of the Flexible Funding applications, under a Memorandum of Understanding. DFFH has agreed the percentages of the funding that applies to PCA Families for administering the recurring \$3.2 million program.

As there are no performance obligations attached to the service agreement between OzChild and PCA Families, revenue is recognised when controlled, which is when the monies are received monthly from OzChild. Unspent funds that are recalled by DFFH are returned to OzChild. PCA Families acts as an agent of DFFH when distributing the flexifunding packages payments to recipients, and accordingly, no revenues or expenses are recognised in relation to the packages distributed.

Commonwealth Covid-19 jobkeeper subsidy

PCA Families utilised the Commonwealth Covid-19 jobkeeper subsidy for eight employees from 1 July 2020 to 31 December 2020. The subsidy requires PCA Families to continue paying wages, and revenue is recognised when the wages for eligible employees are payable.

Commonwealth Covid-19 cash boost

PCA Families utilised the Commonwealth Covid-19 cash boost subsidy. The subsidy is recognised when cash is received.

Other grants and donations

Revenue from philanthropic grants is recognised at the fair value of the consideration received when the grant is controlled, unless there is a performance obligation, or a liability to return the funds. Where there is a performance obligation revenue is recognised as performance occurs. The accounting policies for each of PCA Families' key non-government grants and donations are set out below:

Donations

Donations have no performance obligations and are recognised at fair value when received.

Providing services

Revenue from providing training is recognised at fair value upon delivery of the training.

PCA Families membership is free.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established and any performance obligation is satisfied.

Volunteer services

PCA Families uses volunteer services comprising 9 (2021: 9) board members and 5 (2021: 6) volunteers who facilitate Journal Club meetings. If these services were not provided by volunteers they would not be provided.

3.2. Financial assets and financial liabilities

Financial assets are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. PCA Families holds the financial assets with the objective of collecting the contractual cash flows and therefore measures them at amortised cost, using the effective interest rate, less any allowance for expected credit losses. They comprise Trade and other receivables, Cash and cash equivalents and Short term deposits. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each.

Financial liabilities are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost and comprise trade and other payables, and unspent grant liabilities. Collectability of trade and other receivables is reviewed on an ongoing basis. PCA Families applies the AASB 9 'Financial Instruments' simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all receivables. The expected loss rates are based on historical loss rates over the past 36 months, adjusted for current and forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables, such as Covid-19.

There are no related party receivables or payables.

PCA Families has no significant credit, market or interest rate risks from its financial assets and liabilities. Cash and term deposits are held with reputable financial institutions and the maximum amount invested with any one entity is generally limited to \$250,000 to remain under the Government guarantee cap.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and therefore classified as current.

Other receivables comprise GST receivables and government subsidy receivables

There are no related party receivables.

Trade and other payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition and therefore recognised as current liabilities. There are no related party payables.

3.3. Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives of 3 (2020: 3) years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Expenditure on cloud computing software is expensed as incurred.

3.4. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

3.5. Taxes

Income tax

PCA Families is exempt from tax under Division 50 of the Income Tax Assessment Act 1997. PCA Families has Deductible Gift Recipient (DGR) status.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

3.6. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition

Determining the appropriate revenue recognition requirements involves assessing whether contracts have enforceable performance obligations and if so, how to determine when those performance obligations are satisfied to enable revenue recognition. Note 3.1 sets out more details.

Notes to the financial statements (cont.)

For the year ended 30 June 2022

Note 4: Leases

PCA Families lease of Ross house can be terminated by either party with 60 days notice. Accordingly it is recognised as a service arrangement with rental expensed recognised when incurred. The Ross House rental commitment is \$3,054.

PCA Families has a low value lease of a photocopier, which is for a minimum of 5 years from 29 September 2019 for \$125 per month. Accordingly, rental expense is recognised on a straight line basis over the term of the lease.

Total undiscounted lease commitments are:

	2022 \$	2021 \$
1 year	1,500	1,500
2-5 years	2,250	3,750
Total	3,750	5,250

Notes to the financial statements (cont.)

For the year ended 30 June 2022

PCA Families' related parties comprise its key management personnel who have authority and responsibility for planning, directing and controlling its activities.

The partners of two directors attended an adoption carer retreat with an estimated value of \$1,500 per person as adoptive parents. Three directors participated as PCAF employees. Directors may receive DFFH Flexible Funding and/or Better Futures funding for their eligible children, however these are not payments made by PCA Families.

Our key management personnel are the directors and Chief Executive Officer (CEO):

Directors	Number of terms	Appointment Date	Term Ended
Meredith Carter (Chair to 13/12/2021)	2	17/10/2016	
Naomi Colville (Acting Chair 18/11/2021 - 13/12/2021, appointed Chair 13/12/2021)	1	24/10/2019	
Roslyn Rule (Chair of the Audit and Risk Committee)	1	24/10/2018	30/01/2022
Chris Lockwood (Secretary to 1/2/2022, appointed Deputy Chair 13/12/2021)	3	06/11/2013	
Leslie Annear	1	25/11/2020	04/02/2022
Dan Barron	3	6/11/2013	
Judy Gouldbourn	1	25/11/2020	
Kris Peach	1	24/10/2019	
Sara Witty	1	24/10/2019	02/06/2022
CEO			
Lisa Milani		17/03/2020	31/01/2022
Kris Peach - Acting CEO		1/03/2021 1/12/2021	30/06/2021
Amanda Bresnan - Interim CEO		26/04/2021	29/11/2021

	2022	2021
Total key management personnel remuneration	\$112,257	\$152,908

NOTES:

Lisa Milani was on parental leave from 1/3/2021 to resignation on 30/1/2022.

Julie Kreiger was appointed Company Secretary on 1/2/2022

Note 6. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the PCA Families' operations, the results of those operations, or the state of affairs in future financial years.

Board of Directors' Declaration

In the directors' opinion:

1. The attached financial statements and notes of Permanent Care & Adoptive Families (PCA Families), as set out on pages 3 to 13 are in accordance with the Victorian Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012 including:

- a) Giving a true and fair view of the registered charity's financial position as at 30 June 2021 and performance for the financial year ended on that date: and
- b) Complying with the Australian Accounting Standards - Simplified Disclosures, the Victorian Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012;

2. There are reasonable grounds to believe that the registered charity will be able to pay all of its debts as and when they become due and payable.

On behalf of the directors, signed in accordance with a resolution of the Board of Directors made pursuant to subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Chair: Naomi Colville



Finance, Audit and Risk Committee Chair: Judy Gouldbourn



Dated this 24th day of October ,2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report

We have audited the financial report of Permanent Care & Adoptive Families Inc, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entity' declaration.

In our opinion the financial report of Permanent Care & Adoptive Families Inc has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, and *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board as disclosed in Note 1.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Associations Incorporation Reform Act 2012*, and *Australian Charities and Not-for-profit Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Responsible Entity for the Financial Report

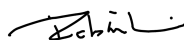
The responsible entity of the registered entity is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012*, and *Australian Charities and Not-for-profit Commission Act 2012* and the needs of the members. The responsible entity's responsibility also includes such internal control as the responsible entity determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entity is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entity either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



Robin King Heng Li CPA CA
Director
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
24 October 2022