

Respite Care ACT Incorporated

ABN: 40 885 824 456

Financial Report

For the Period Ended 19 February 2008

Respite Care ACT Incorporated

For the Period Ended 19 February 2008

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Respite Care ACT Incorporated

Board of Management Report

19 February 2008

Your committee members submit the financial report of the Respite Care ACT Incorporated for the period ended 19 February 2008.

1. General information

(a) Committee members

The names of committee members throughout the period:

Ron Kingsbury (Chair)	Ron Jelleff
Gail Haidon (Vice Chair)	Chin Wong
Karen Noble (Secretary, Public Officer)	Damian Caesar
Wayne Simpson	Tyler Ellis
Leonie Regan	Diane Corcoran

(b) Principal activities

The principal activity of the association during the period ended 19 February 2008 was to provide support services to enable people in the ACT who are frail-aged, have a disability or dementia to remain living their own homes.

(c) Significant changes

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

2. Business review

(a) Operating result

The loss of the association for the period ended 19 February 2008 amounted to \$32,496.

3. Other items

(a) Significant changes in state of affairs

No significant changes in the association's state of affairs occurred during the period.

(b) After balance date events

Respite Care ACT Incorporated ceased to exist as at 19 February 2008 when it was amalgamated with Family Based Respite Care Incorporated to form Tandem Respite Incorporated.

4. Proceedings on behalf of association

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the period.

5. Indemnifying officers or auditors

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the entity.

Signed in accordance with a resolution of the Members of the Committee:

President: 

Treasurer: 

Dated this 30th day of October 2008

**Independent Auditor's Report
to the Members of Respite Care ACT Incorporated**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Respite Care ACT Incorporated, which comprises the balance sheet as at 19 February 2008 and the income statement, statement of changes in equity and cash flow statement for the period then ended, a summary of significant accounting policies, other explanatory notes and the Board of Management's declaration

The Responsibility of Board of Management for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report and has 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 constitution and are appropriate to meet the needs of members. The Board of Management's responsibility also includes establishing and maintaining internal controls 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 engagement 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

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 Board Members, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board of Management's financial reporting requirements under the 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.


Independence

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 respect, the financial position of Respite Care ACT Incorporated as of 19 February 2008 and of its financial performance and its cash flows for the period then ended in accordance with the accounting policies described in Note 1 to the financial statements.

EVERALLS DFK & ASSOCIATES



**John A Triggs FCPA
Registered Company Auditor**

7 October 2008

26-28 Napier Close
DEAKIN ACT 2600

Respite Care ACT Incorporated

Income Statement

For the Period Ended 19 February 2008

	Note	2008 \$	2007 \$
Revenue	2	1,639,330	2,558,150
Expenses			
– HACC Program		(775,969)	(1,120,714)
– Disability Program		(343,740)	(576,539)
– Brokerage Program		(285,053)	(408,974)
– DVA Program		-	(10,380)
– Leisure Link Program		(59,390)	(67,847)
– Mental Health Program		(88,366)	(179,308)
– Living Skills Program		(77,130)	(115,740)
– ISP Program		(14,721)	(22,433)
– Other grants		(7,225)	-
– Administration Expenses		(17,873)	(12,713)
Surplus / (deficit)		(30,137)	43,502
Prior year adjustment		(2,359)	237,089
Surplus / (deficit) after prior year adjustments		(32,496)	280,591

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

Respite Care ACT Incorporated

Balance Sheet

As at 19 February 2008

	Note	2008 \$	2007 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	867,362	622,817
Trade and other receivables	6	90,845	24,857
Other	7	105,789	105,019
Total current assets		1,063,996	752,693
Non-current assets			
Property, plant and equipment	8	-	-
Total non-current assets		-	-
TOTAL ASSETS		1,063,996	752,693
LIABILITIES			
Current liabilities			
Trade and other payables	9	179,444	109,378
Provisions	10	181,776	143,910
Other	11	279,812	43,945
Total current liabilities		641,032	297,233
Non-current liabilities			
Provisions	10	-	-
Total current liabilities		-	297,233
TOTAL LIABILITIES		641,032	297,233
NET ASSETS		422,964	455,460
EQUITY			
Retained earnings		422,964	455,460
TOTAL EQUITY		422,964	455,460

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.

Respite Care ACT Incorporated

Statement of Changes in Equity

For the Period Ended 19 February 2008

	Retained Earnings \$	Total \$
Balance at 1 July 2006	174,869	174,869
Surplus / (deficit) attributable to members	43,502	43,502
Prior year adjustments	237,089	237,089
Balance at 30 June 2007	455,460	455,460
Surplus / (deficit) attributable to members	(30,137)	(30,137)
Prior year adjustments	(2,359)	(13,638)
Balance at 19 February 2008	422,964	411,685

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

Respite Care ACT Incorporated

Statement of Cash Flows

For the Period Ended 19 February 2008

	Note	2008 \$	2007 \$
Cash from operating activities:			
Receipts from government and members		1,781,228	2,836,845
Payments to suppliers and employees		(1,563,020)	(2,712,383)
Interest received		27,981	39,458
Net cash provided by (used in) operating activities	13	246,189	163,920
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		-	20,324
Payments to acquire property, plant and equipment		(1,644)	(56,170)
Net cash provided by (used in) investing activities		(1,644)	(35,846)
Net increase (decreases) in cash held		244,545	128,074
Cash at beginning of period		622,817	494,743
Cash at end of financial period	5	867,362	622,817

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

1. Statement of significant accounting policies

(a) General information

The financial report covers Respite Care ACT Incorporated as an individual entity. Respite Care ACT Incorporated is an association incorporated in the Australian Capital Territory under the *Associations Incorporations Act 1991*.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act 1991*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not been applied in the preparation of this financial report. The possible impacts of the initial application of these Accounting Standards have not been assessed.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Income tax

The association is a public benevolent institution under section 50-5 of the *Income Tax Assessment Act 1997* and is exempt from income tax.

(d) Property, plant and equipment

Depreciation

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

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The depreciation rates used for each of the depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	10%
Furniture and Fittings	10%
Computer Equipment	30%
Motor Vehicles	20%
Leasehold Improvements	20%

Impairment

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use, according to *AASB 136 Impairment of Assets*, is depreciated at replacement cost.

(e) Employee benefits

Provision is made for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at their nominal amount. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

(h) Goods and Services Tax (GST)

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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

Comparative figures shown are for the full financial year ended 30 June 2007.

(j) Rounding of amounts

Amounts in the financial report and directors' report have been rounded off to the nearest \$1.

(k) Critical accounting estimates and judgments

The Board of Management members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the association.

Key estimates – impairment

The association assess impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment triggers were present at 19 February 2008.

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

2. Revenue

	2008	2007
	\$	\$
Revenue		
– Services billed	304,369	504,842
– Interest received	27,981	42,488
– Operating grants	1,273,766	2,000,655
– Supplementary grant	12,500	-
– Other revenue	20,714	10,165
Total Revenue	1,639,330	2,558,150

3. Surplus/ (deficit) from ordinary activities

Net surplus / (deficit) from ordinary activities has been determined after:

	2008	2007
	\$	\$
Depreciation and amortisation of non-current assets:		
– building improvements	486	764
– equipment	1,007	4,251
– motor vehicles	9,453	14,780
– fixtures and fittings	105	197
– office equipment	991	1,698
	12,042	21,690

4. Auditors' remuneration

	2008	2007
	\$	\$
Remuneration of the auditor for:		
– auditing or reviewing the financial report	3,000	4,500
– other services	1,800	-
	4,800	4,500

5. Cash and cash equivalents

	2008	2007
	\$	\$
Bank balances	867,362	622,817
	867,362	622,817

These notes form part of the financial statements.

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

6. Trade and other receivables

	2008	2007
	\$	\$
CURRENT		
Trade receivables	97,337	28,947
Less: Provision for doubtful debts	(8,846)	(7,120)
Other receivables	2,354	3,030
	90,845	24,857

7. Other current assets

	2008	2007
	\$	\$
Prepayments	28,078	15,064
Property, plant and equipment	77,711	89,955
	105,789	105,019

(a) Movements in carrying amounts	Intangible Assets	Property, Plant and Equipment \$	Total \$
2007			
Balance at the beginning of year	-	73,879	73,879
Additions	9,659	47,003	56,662
Disposals	-	(21,994)	(21,994)
Depreciation/amortisation expense	(2,294)	(21,690)	(23,984)
Prior year adjustments	-	5,392	5,392
Carrying amount at the end of year	7,365	82,590	89,955
2008			
Balance at the beginning of period	7,365	82,590	89,955
Additions	-	2,690	2,690
Disposals	-	-	-
Depreciation/amortisation expense	(1,846)	(12,042)	(13,892)
Prior year adjustments	-	(1,046)	(1,046)
Carrying amount at the end of period	5,519	72,192	77,711

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

8. Property, plant and equipment

	2008	2007
	\$	\$
<i>Computer equipment</i>		
At cost	-	58,511
Less: accumulated depreciation	-	(48,666)
Less: balance transferred to current assets	-	(9,845)
Total computer equipment	-	-
<i>Motor vehicles</i>		
At cost	-	74,204
Less: accumulated depreciation	-	(9,044)
Less: balance transferred to current assets	-	(65,160)
Total motor vehicles	-	-
<i>Fixtures and Fittings</i>		
At cost	-	8,615
Less: accumulated depreciation	-	(8,510)
Less: balance transferred to current assets	-	(105)
Total fixtures and fittings	-	-
<i>Office equipment</i>		
At cost	-	44,749
Less: accumulated depreciation	-	(38,831)
Less: balance transferred to current assets	-	(6,215)
Total office equipment	-	-
<i>Intangibles</i>		
At cost	-	9,659
Less: accumulated amortisation	-	(2,294)
Less balance transferred to current assets	-	(7,365)
Total leasehold improvements	-	-
<i>Leasehold improvements</i>		
At cost	-	73,208
Less: accumulated amortisation	-	(71,944)
Less balance transferred to current assets	-	(1,264)
Total leasehold improvements	-	-
Total property, plant and equipment	-	-

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

9. Trade and other payables

	2008	2007
	\$	\$
CURRENT		
Creditors	41,056	5,781
Wages payable	3,334	-
Superannuation payable	14,609	22,506
GST and PAYG payable	120,058	81,091
Other	387	-
	179,444	109,378

10. Provisions

	2008	2007
	\$	\$
CURRENT		
Annual Leave	36,842	40,022
Long service leave	144,934	103,888
	181,776	143,910
NON-CURRENT		
Long service leave	-	-
	-	-

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

11. Other liabilities

	2008	2007
	\$	\$
CURRENT		
Unexpended grants	248,935	-
Accrued expenses	30,877	43,945
	279,812	43,945

12. Related party transactions

No board member, or parties related to them, received any remuneration from the association during the period other than reimbursement for expenses incurred.

Respite Care ACT Incorporated

Notes to the Financial Statements

For the Period Ended 19 February 2008

13. Cash flow information

(a) Reconciliation of cash flow from operations with profit after income tax

	2008	2007
	\$	\$
Net surplus/(deficit) for the period	(43,775)	280,591
Non-cash flows in profit		
Depreciation and amortisation	13,888	23,986
Net loss/(gain) on disposal of equipment	-	757
Prior year adjustment	-	(4,974)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	(65,988)	23,926
(Increase)/decrease in prepayments	(13,014)	(928)
Increase/(decrease) in trade payables and accruals	81,345	(3,331)
Increase/(decrease) in other liabilities	235,867	(243,145)
Increase/(decrease) in provisions	37,866	87,038
	246,189	163,920

14. Subsequent events

The financial report was authorised for issue on the date of signing the Statement by the Committee on page 19 of this report.

Family Based Respite Care Incorporated ceased to exist as at 19 February 2008 when it was amalgamated with Respite Care ACT Incorporated to form Tandem Respite Incorporated.

15. Association details

The registered office of the association is:

Respite Care ACT Incorporated
25 Stapleton Street
HOLDER ACT 2611

Respite Care ACT Incorporated

Statement by the Committee

In the opinion of the committee the financial report as set out on pages 7 to 18:

1. Presents a true and fair view of the financial position of Respite Care ACT Incorporated as at 19 February 2008 and its performance for the period ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Respite Care ACT Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee Members and is signed for and on behalf of the Committee Members by:

President: *Cameron*

Treasurer: *C. Sutton*

Dated this *30th* day of *October* 2008