



Meaningfully  
Connected



Building  
Advantaged  
Communities



Create  
The Life  
You Want

## 2017 ANNUAL REPORT

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“ Brophy makes it a happy and safe place to come to, I always feel much better coming here. ”

Brophy Client Feedback Response 2017

## Profile

Brophy Family and Youth Services is the primary provider for children, youth and family services in South West Victoria. Brophy originated in 1974 with its beginnings in hostel accommodation for homeless youth. Over the years it has developed a comprehensive range of services for the homeless, young people and families.

## Vision

People are meaningfully connected to create the life they want. We achieve this together through innovation and relationships, creating new horizons towards and advantaged community.

## Mission

To provide community based services that promote a just society and improve the life circumstances for people who are vulnerable and disadvantaged, especially those who are experiencing homelessness, family violence, marginalisation or disconnectedness.

## Values

### Social justice

Promoting justice, social fairness and human rights

### Professionalism

Practicing in an ethical, respectful and inclusive manner

### Empowerment

Strengthening and enabling individual and community decision-making

### Responsiveness

Responding in a timely, engaging and respectful manner

### Partnership

Striving for shared connections to create better client outcomes





# Chair Report



**It is with great pleasure that I present my report for the 2016-2017 year and welcome the wonderful team of Realise Enterprises to our organisation.**

**We are humbled that Realise chose us to merge with Brophy and are absolutely committed to building upon this extraordinary model of service delivery so ably led by Helen Ridgwell and her team.**

Brophy has had a strong year both financially and in its expansion of services to the community. Most of the expansion has involved partnerships with other organisations which has led to some very powerful results.

Each Division has expanded their service profile which is a great testament to the Executive Management Team.

I would like to thank the entire Brophy staff complement for their continued dedication and commitment to their clients and the organisation. Their professionalism and capacity to work together to create the best opportunities for those we serve is truly acknowledged.

I would also like to thank the Volunteers who so generously support our services in the community.

I would like to give a special mention to our Carers and our Youth Volunteers for their ongoing dedication and commitment to support those who are most vulnerable.

On behalf of the Board I would like to thank our CEO and management team for their ongoing determination, passion and commitment over the year. A huge effort was given which has enabled the organisation to reposition its vision in the community.

Finally, I would like to thank my fellow Board members for their support, wisdom and stewardship during the year. It was fantastic to have two new board members join us this year from Realise Enterprises - Sue Holcombe and Michelle Walters - their contributions are very much appreciated alongside our current members, Rob Duynhoven, Debbie Nankervis, Clare Vaughan, Anna Hornbech, Kristy Hess and Karen Foster who is retiring this year.

Thank you all for your important contributions throughout the year.

**Danielle Cornelissen**

**Chair**



# Governance

## Board

### Chairperson

Danielle Cornelissen

### Vice Chairperson

Clare Vaughan

### Treasurer

Robert Duynhoven

### Members

- Professor Anna Hornbech
- Karen Foster (Resigned August 2017)
- Ian Fitzgibbon (Resigned February 2017)
- Debra Nankervis
- Dr Kristy Hess
- Sue Holcombe
- Michelle Walters

### Honorary Solicitor

Maddens Lawyers

### Auditors

McLaren Hunt Chartered Accountants

## Executive Management

### CEO

Francis Broekman

### Executive Managers

- Ruth Isbel
- Kathy Sanderson
- Anne Waters
- Josh Hill
- Helen Ridgwell

## Senior Leadership Group

- Robyn Del Rio - Manager, Child FIRST & Family Services
- Pam Jackson - Manager, Kinship Care
- Donna Wynters - Manager, Family & Individual Support Programs
- Jo Doman - Quality Coordinator
- Marion Noye - Manager, Foster Care
- Racheal Gleeson - Manager, Youth Transitions Programs
- Peter Flanagan - Manager, Youth Support Programs
- Rahman Gray - Manager, School & Community Programs
- Jenny Hand - Manager, Foyer Warrnambool
- Amy Wilson - Team Leader, Youth AOD Specialist Service
- Louisa Radley - Practice Manager (headspace)
- Phil Wilson - Clinical Lead (headspace)
- Sharon Lenehan - Team Leader, Access & Engagement
- Chris Thompson - Manager, Finance
- Simone Cottee - Human Resources Coordinator
- Morag Rees - Office Coordinator
- Linda Tourancheu - Executive Assistant



# CEO's Report



**It is with pleasure that I present my report to the community on the results we have achieved during the 2016-17 year.**

**The year can be described as a year of creating new horizons in a very challenging environment. We do understand as an organisation that significant policy and funding changes are driving new ways of delivering services. NDIS is a perfect example where disability support will be funded through packages that are directly linked to the choices of what people want.**

What we believe is important in this narrative is that people should be able to create the life they want. This aspiration must be at the forefront of planning, designing, and creating solutions that are meaningful for them. We also know that relationships amongst people are critical and empowering. It is important to be connected to friends and family but it is also important that they can be connected to the community that equally aspires to create environments of safety, diversity, and equity. We as an organisation are committed to building advantaged communities where no one or no group is disadvantaged. These are some of the reasons why we decided to reshape our vision as an organisation.

By utilising our strengths, focusing on why we exist and for whom, we developed three themes that commit us to partnerships with people, with families, and with our communities:

**Creating the Life You Want  
Meaningfully Connected  
Building Advantaged Communities**

Our new vision is that:

**People are meaningfully connected to create the life they want. We achieve this together through innovation and relationships, creating new horizons towards an advantaged community.**

This year we have been building the story around what this looks like in our organisation, what we need to do differently, and how will we know if we are having any impact.

We have some great frameworks that will assist us on our journey, including the development of feedback loops, using a Results Based Accountability framework, creating innovation labs to trial ideas and opportunities, and managing through our Vision. We are really excited about our direction as we seek to create new horizons for our clients and for the organisation.

Most of our work this year has been around building our capacity as an organisation to not only create this new vision but also to deliver on it. Hence our focus has involved building our adaptive leadership capacity, consolidating the RBA model into our management systems, moving towards becoming a trauma informed organisation, creating an innovation platform across the organisation, and reshaping our business systems.

One of the highlights for the organisation is the merger with Realise Enterprises. This extraordinary organisation has created a culture that is so empowering, and strength focused that it is transforming mainstream services like Brophy to embrace new horizons for people with whom we work. They are a wonderful team including board, staff and volunteers who are so positively influenced by Helen Ridgwell. They will have a huge impact on our organisation and we are very excited to embrace it.

I'd like to thank a number of people and partnerships who have strongly supported Brophy during the year. I would like to mention some of these and in particular Western Regional Alcohol and Drug Centre, South West Institute of TAFE, Gunditjmarra, Winda Mara, Mpower, Warrnambool City Council, Brotherhood of St Lawrence, Australian Childhood Foundation, as well as the alliances with South West Primary Care Partnership, Child First and Integrated Family Services and Community Southwest.

Another core partnership I'd like to acknowledge is our volunteers. There are more than 120 active volunteers across the organisation who provide extraordinary support to our mission. I would like to thank all our volunteers from our Foster and Kinship Carers to our Youth Groups and our Foster Care Womens' Auxiliary. Thank you for your enthusiasm, your commitment and your passion to build a caring community. In addition, we are very fortunate to have so many young people who are part of Kulcha Shift and headspace who volunteer their time and enthusiasm. Thank you.

To all of our staff from across the agency, much of the great work is directly attributable to the professionalism you exhibit and the manner in which you go about your work. We have a very special staff group who are prepared to go that extra mile when needed, which highlights their commitment and dedication to their clients. I also want to extend a huge welcome to all the new staff who have joined Brophy over the past 12 months, all of whom have enriched our culture and already given much to our organisation.

Thanks to the Executive Management Team for their hard work, ongoing leadership and guidance across the organization. Together we achieve amazing horizons that empower us all.

Finally, I would like to thank the Board whom has again provided strong leadership, stewardship and advocacy in our organisation. My gratitude goes to each of you: Chairperson Danielle Cornelissen, Treasurer Rob Duynhoven, Vice Chair Claire Vaughan, Professor Anna Hornbech, Karen Foster, Kristy Hess, Debbie Nankervis and our new Realise Board members Sue Holcombe and Michelle Walters who are amazing.

**Francis Broekman**

**Chief Executive Officer**





# Child and Family Services

The Child & Family Services Division incorporates the Out of Home Care services of Kinship and Foster Care, Child First & Integrated Family Services as well as the Family & Individual Support Programs. These four teams deliver 18 programs to a diverse range of people in our community.

The division's purpose is to build the capacity of vulnerable children, youth, families and individuals to enable them to self-manage and be the best they can be. A number of key frameworks and models are used by the division's enthusiastic and skilled staff to achieve this purpose. These include but are not limited to: Gender and Trauma Informed practice, Duluth model of Men's Behavioural Change Program, Motivational Interviewing and task focussed interventions.

## Outcomes and Achievements

Highlights of the last year have been:

- The continued embedding of Trauma Informed practice across the division.
- The introduction of Results Based Accountability to measure if children and adults we work with are better off, as result of our services.
- The raised profile of work with male perpetrators of family/domestic violence and the remodelling of our Men's Behaviour Change Program.
- Success of our parenting group programs *Who's in Charge* and *Bringing up Great Kids*.

**Ruth Isbel**

**Executive Manager, Child and Family Services**

“Brophy makes it a happy and safe place to come to, I always feel much better coming here.”

*Consumer Participation Survey 2017*



## Foster Care

The Foster Care program provides out of home care to children and young people who, for various reasons cannot reside at home with their parent/s or extended family members.

The team recruits and trains volunteer caregivers to provide the children and young people in state care with an environment and care that support their recovery from trauma and promotes development.

### Outcomes and Achievements

Highlights of the last year have been:

- Embedding trauma informed practice with staff and carers through staff completing the Graduate Certificate In Developmental Trauma and advanced training and consultation with our partner agency Australian Childhood Foundation
- Building our skills in providing Tailored Care Packages (TCP's) to improve the circumstances of complex clients. One of our TCP arrangement and the exceptional carer family involved was highlighted to the Minister for achieving hugely successful outcomes for a profoundly disabled young woman.

# 91%

Average satisfaction rate of our Carers with our service.

Consumer Participation Survey 2017

## Kinship Care

Kinship Care provides support to family members or family friends who have taken on the full-time care of children and/or young people. The aim of the program is to strengthen the capacity of Kinship Carers to ensure positive growth and development and maintain a sense of identity and family connection for the children and young people.

Throughout the year Kinship Care has provided support to 70 children/young people, 63 Kinship Carers and over 800 hours of advice and information to carers.

Monthly carer groups have offered participants the opportunity to hear from guest speakers, receive information and advice, as well as the opportunity for carers to share their challenges and positive outcomes of Kinship Care.

### Outcomes and Achievements

Highlights of the last year have been:

- A bus trip to the Adelaide V Geelong match at Etihad Stadium in August 2016 which was kindly sponsored by the Geelong Football Club.
- A pizza and bowling day for children and young people and a bus trip to Great Ocean Road as part of our school holiday program.
- 'Bringing up Great Kids' training delivered by the Kinship team has provided valuable training to Kinship Carers.



## Family & Individual Support Programs (FISP)

The FISP team provides support to adults at risk of homelessness and assists Office of Housing Tenants to sustain their tenancies. The program also offers Family Violence services to Men, Women and Children. The No Interest Loan Scheme offers clients in the Warrnambool, Moyne, Glenelg and Southern Grampians Shires access to no interest loans to purchase essential items.

### Outcomes and Achievements

Highlights of the last year have been:

- The FISP team moved to a rolling group model for the Men's Behaviour Change Program which sees the program offered once a week for 50 weeks of the year.
- The Men's Behaviour Change Program also increased from 15 to 18 sessions in each program.
- Southwest Victoria No Interest Loans Scheme has also increased the number loans to clients to over 150% of the total loans from the previous year. We are anticipating that this number will continue to rise with the introduction of a new model in November 2017.

## Child & Family Services (CaFS)

The CaFS team work with vulnerable families (through the following programs: Child FIRST, Integrated Family Services (IFS), Adolescent Support Program (ASP) and Finding Solutions (FS) to divert families from the Child Protection system and to support them to be able to support their children to reach their full potential.

CaFS Services promote the safety, stability and development of children and young people whilst supporting parents/carers in their role. We provide practical support and guidance, referral to other supports if required and work with other services already involved with the family.

### Outcomes and Achievements

Highlights of the last year have been:

- Supporting students in their placements in the CaFS Team from both TAFE and University.
- Who's in Charge Training delivered to 36 parents and carers across the region.
- Child FIRST have exceeded Targets for the year.

# 96%

of our clients said they had a timely response to their request for assistance.

*Consumer Participation Survey 2017*

# 30

new clients are engaged in the Community Reconnections Program each month.

*Consumer Participation Survey 2017*





# Youth Services

The Youth Services Division comprises four teams across the Agency which include Youth Support, School and Community, Foyer Warrnambool and Youth Transitions. These teams provide a wide reach of services in the areas of direct support, youth accommodation, youth pathways, youth activity and engagement, youth led projects, employment services, youth advocacy and youth events all delivered through services to schools and the community with various partnerships and Communities of Practice.

The Division aims to deliver services which are evidence informed, innovative and at best practice. There have been a number of exciting new initiatives and opportunities this year. We would not be able to create such opportunities and outcomes for young people without key community partnerships across many program areas including; Brotherhood of St. Laurence, SWTAFE, LADDER, Warrnambool City Council Youth Services, The HEY (Healthy Equal Youth) Partners, Australian Childhood Foundation, Transition to Work Community of Practice organisations, headspace & Horizon House.

## Outcomes and Achievements

Highlights of the last year have been:

- Partner organisation in the National TTW Community of Practice, and its recently published CoP Practice Guide and related tools & resources.
- 8 Youth Services staff enrolled in the Graduate Certificate In Developmental Trauma delivered by ACF.
- New partnership between the Foyer Warrnambool and LADDER to provide Health and Wellbeing role at the Foyer Warrnambool.
- Transition of the WILD program to the Drug & Alcohol Responding Early set of programs from headspace.
- Joint delivery with headspace of the Access & Engagement Service (as the Youth Entry point for Homelessness)-with 1000+ contacts for the year.
- Implementation of Results Based Accountability (RBA) to measure the effectiveness of our interventions with clients and thus the quality of our services.

**Kathy Sanderson**

**Executive Manager, Youth Services**

“They listened to my needs and helped me through tough times, they were the best to me.”

*Consumer Participation Survey 2017*



## Youth Support Programs

The Youth Support Programs Team encompasses programs designed to meet the needs of young people who are homeless or at risk of homelessness, exiting state care, involved in the youth justice system, young parents and those requesting access to reconciliation and mediation services.

These programs take a holistic approach in supporting young people, assisting them by providing; advocacy, practical support, counselling, case management support and restorative justice interventions with the aim of empowering young people to reach their unique potential and are provided in a supportive, respectful and strength based approach.

### Outcomes and Achievements

Highlights of the last year have been:

- 61 young people accessed the Youth Justice Community Support Service
- 16 new referrals accessed the Youth Justice Community Support Service in 2016/2017.
- 80% of Young people who accessed the Youth Homelessness Services improved on their Outcome Star domains overall.
- 100% of young people were satisfied with the Youth Homelessness service provided to them.

## Youth Transitions Team

The Youth Transitions Team (YTT) comprises of several programs that provide young job seekers aged 15-21 with intensive one-on-one support to gain employment or to continue their education.

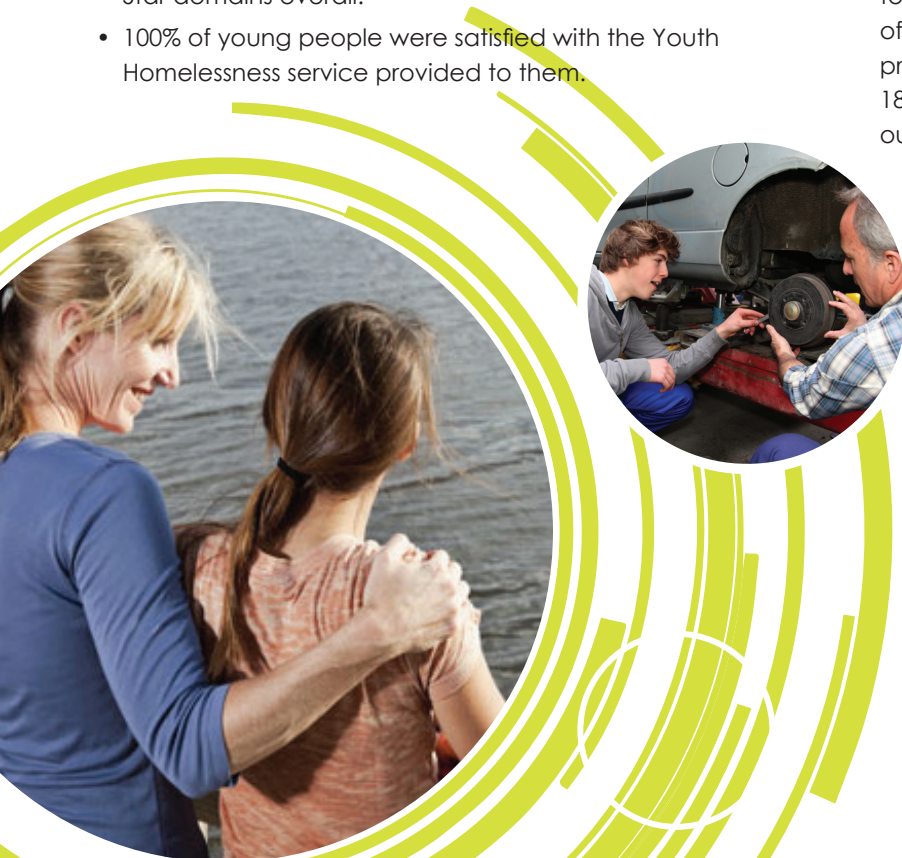
YTT's Springboard & Mentoring to Work programs deliver to specific target groups including young people in Residential Care, Leaving State Care or residing at the Foyer, and are funded through the Department of Health & Human Services. Our primary program, Transition to Work (TtW), is funded by the Australian Government through the Department of Employment (DoE).

The majority of referrals come from Centrelink usually as a result of a young person applying for Youth Allowance. Despite changes in staffing and models of practice - our first year delivering in the employment services area has been a challenging, but rewarding time and we have some promising results to build on next year.

### Outcomes and Achievements

Highlights of the last year have been:

- Since the commencement of TtW in April 2016 and up until 30 June 2017) we achieved 302 referrals to the program across the south west region out of which 247 young people commenced with the program. Of the 247 commencements there were 185 activity placements, culminating in 42 registered outcomes for the 2016/2017 financial year.



# 78%

of homeless clients accessed appropriate accommodation before exiting the program.

*Consumer Participation Survey 2017*

## Foyer Warrnambool

The Foyer supports young people to reach their potential by providing secure accommodation for young people on the journey to achieve their life aspirations!

Our partnership with South West TAFE has gone from strength to strength with the introduction of the Certificate 1 in Developing Independence (DI) and our more recent partnership with Ladder is on a par. The Ladder role of Development Worker (Health and Wellbeing) has many benefits which include the many and varied activities co-ordinated by the Worker to support our residents in their health and wellbeing goals.

### Outcomes and Achievements

Highlights of the last year have been:

- The Foyer welcomed 9 new residents.
- Farewelled 7 into their future, with 5 of those exiting into Private Rental and 2 returning to live with family.
- Announcement made at the Foyer by the Honourable Gayle Tierney, State Minister for Western Victoria and Minister for Training and Skills and Minister for Corrections to be included in the 3 million dollar funding to support the delivery of the Certificate 1 in Developing Independence in five Foyers within Victoria over 2 years.
- Receiving the Community Collaboration Award from a partners SWTAFE.



“The DI course has been really valuable for me as it’s helped me figure out where I want to go and how I am going to get there. Setting goals - I now do this in my life regularly.”

*Jess - Foyer Resident and Certificate 1 in Developing Independence (DI) Pilot Student*



# School & Community Programs

## School Focused Youth Services

School Focused Youth Services (SFYS) aims to ensure students at risk of disengaging from school are supported to remain in school. SFYS works with school and community stakeholders to identify and address challenges to positive school engagement.

## Outcomes and Achievements

Highlights of the last year have been:

- SFYS was delivered across four school networks covering Corangamite, Warrnambool/Moyne, Glenelg and Southern Grampians.
- 10 capacity building projects were delivered to 441 professionals working with young people.
- 12 targeted interventions were delivered to 209 students at risk of disengaging from school.
- Co-ordination of the 'Corangamite Schools Network Forum' attended by 140 school staff.
- Supported 20 local professionals to become 'Peaceful Kids' facilitators. A follow up survey indicated all participants felt the training had increased their ability to support students vulnerable to school disengagement.
- The Peaceful Kids program is now being delivered in 12 schools.

- Supported 3 community workshops focusing on adolescent brain development and the effects of trauma. The first was to Year 10 and 11 students in Hamilton, the second to 150.

## Kulcha Shift Youth Projects

Kulcha Shift Youth Projects delivers a range of programs and activities that promote the inclusion and engagement of young people in their community. Funding is provided through the Department of Health and Human Services 'Engage!' funding.

**YUMCHA** is a social support program for LGBTI+ young people and their allies. YUMCHA also provides opportunities for young people to access cultural events and to participate in training opportunities. Program evaluations indicated 90% of survey participants like the program 'a lot' and a majority of participants reported YUMCHA had increased their safety and participation in the community.

**Kulcha Friday Feed** is a weekly community café that provides an inclusive setting to share meals and develop social connections. Staffed by volunteers and Brophy staff, the café also provides an opportunity for young people to develop hospitality skills and experience in a real world setting.

# 87%

of attendees to the Corangamite Schools Network Forum increased their knowledge and confidence in supporting vulnerable students.

Consumer Participation Survey 2017



**'Bringing it Together!'(BIT)** was an arts project delivered as part of National Youth Week. Young people were invited to produce art work around themes of diversity and inclusion. The works were collated into an exhibition in Brophy's retail area and winning pieces were printed on postcards and distributed across the community.

**Safe in the South West** supports the health and wellbeing of LGBTIQ+ young people by building the capacity of local services to support the LGBTIQ+ community and improving community awareness and support for sexual/gender diversity.

The program delivered a range of services to promote greater inclusivity and health and wellbeing outcomes for LGBTIQ+ communities in Victoria's South West. This included establishing a monthly support group for parent/carers/families of young people who are sex and gender diverse; delivering gender and sexual diversity training to local Government agencies, services, school and education providers; and supporting community development activities in the South West such as the Commissioner for Gender and Equality's 'Roadshow' and localised activities in Glenelg and Southern Grampians.

Brophy have always been there, even through the hard parts.

*Consumer Participation Survey 2017*



# Health Services

The Health Services Division incorporates the Access and Engagement service, headspace Warrnambool, Youth Clinic, Tele-psychiatry, Psychological Therapy Services, and Youth Drug and Alcohol Responding Early (DARE) program.

The integrated health services are designed to encourage people seek help early on and are underpinned by youth friendly practices and participation, to support the social and emotional wellbeing of young people during their adolescent years.

Services are funded and delivered in collaboration with WRAD, SWH, SWTAFE, Schools, VicPol, Rural Health Outreach Program, WV Primary Health Network and Department of Health and Human Services, and a multidisciplinary team, enabling the development of service delivery in Portland, Hamilton and Hawkesdale.

The Division has seen significant development over the past 12 months, transitioning to a new funding body and attraction of new services to assist in responding to high levels of demand for services across the region.

## Outcomes and Achievements

Highlights of the last year have been:

- We were awarded tenders for:
  - Psychological Therapy Services (PTS).
  - Doctors In Secondary Schools (DiSS).
  - Drug & Alcohol Responding Early (DARE), incorporating WILD Adventure Therapy Program.
- Renewed AGPAL Accreditation.
- Certified to operate a headspace license.
- Announcement of funding to establish a headspace Portland satellite service by July 2018!
- GP Clinic satisfaction rating of 4.8/5
- Headspace satisfaction rating of 4.3/5.
- 442 New Young People accessing the service for the first time.
- 813 Young People were provided with 3218 occasions of service.
- 242 Group services have been delivered.

**Anne Waters**

**Executive Manager, Health Services**

“I really enjoyed it, I felt really comfortable at headspace.”

headspace client feedback 2017





## Access & Engagement

The Access and Engagement service provides a single Entry Point for young people, their family and friends, and other service providers to access advice and information, psycho social assessments, referral, brief interventions, family work consults and psycho education.

The service is a partnership initiative funded by headspace and homelessness services.

### **Highlights of the last year have been:**

- 1,000 people accessed the Entry Point
- 186 young people were supported to secure accommodation
- 160 brief interventions delivered support young people with budgeting, problem solving, safety planning and legal advice.

# 442

Young people  
accessed  
headspace for  
the first time.

headspace client feedback 2017



## headspace

headspace Warrnambool provides early intervention integrated health services for young people aged 12-25.

The service is designed to make it easy as possible for young people and their families to get the help they need at the right time. Services include: physical and sexual health, mental health, alcohol and drugs; and work and study support.

Access to young people living in rural areas is further enhanced with outreach GP and psychological services delivered in partnership with secondary schools and SWTAFE.

### Outcomes and Achievements

Highlights of the last year have been:

- headspace Scholarship Program awarded to 4 young people to pursue vocational & tertiary study pathways.
- Awarded tender to deliver the GP In Schools Program, at Brauer College.
- Awarded tender to deliver Psychological Therapy Services in Warrnambool.
- Renewed AGPAL Accreditation.
- Accredited and certified to operate a headspace licence.
- GP Clinic satisfaction rating of 4.8/5
- Headspace satisfaction rating of 4.3/5.
- 442 New Young People accessing the service for the first time.
- 813 Serviced Young People with 3218 occasions of service being delivered.
- 242 Group services been delivered.



# 4.8/5

was the satisfaction rating clients gave our GP Clinic.

headspace client feedback 2017

# Corporate Services

The Corporate Services Division provides a comprehensive range of management and support services across the organisation in the areas of finance, information technology, records management, human resources, risk, facilities management, corporate compliance, audit, reception, administration, quality assurance and governance.

During the 2016/17 year, Corporate Services has continued deliver a high standard of service to the community at reception points as well as internally to the Agency.

## Outcomes and Achievements

Highlights of the last year have been:

- The implementation of new Finance and HR systems has been well received and streamlined a number of reporting and auditing requirements.

*Please see the Auditors Report for full Financial Report.*

**Josh Hill**

**Executive Manager, Corporate Services**





## Brophy Working Groups

Brophy is able to implement its strategic direction through the work done by staff teams in working groups and committees. All staff are expected to nominate for a working group and participate in regular meetings to implement improvements across the organisation.



### Quality Assurance and Safety

The Quality and Safety Committee is responsible for taking a leadership role around quality systems, and ensures accreditation standards and legislative requirements are met across the organisation.

### Outcomes and Achievements

This year our Health Services division completed accreditation against the headspace Model Integrity Framework and our GP clinic was accredited against the Royal Australian College of General Practitioners Standards.

We are currently busy completing our self assessment process in preparation for agency wide accreditation in March 2018 against the following standards: National Standards for Mental Health Services, Rainbow Tick Standards, QIC Standards and Human Services Standards.

 I couldn't have done most of what has been needed without Brophy's help and education. 

*Kinship Carer 2017*

## Consumer Participation

The purpose of the Consumer Participation Working Group is to improve consumer participation across the organisation in order to plan and deliver better services that respond to consumers' needs.

Its key objectives are to:

- Identify best consumer participation practice that can be shared and developed across the organisation;
- Conduct consumer participation team plan development and reviews;
- Recommend key consumer participation improvements to be implemented across the organisation annually and three yearly;
- Assist teams to implement continuous improvement strategies on consumer participation;
- Review consumer participation related policies and recommend changes;
- Review the induction and orientation programs relating to consumer participation;
- Liaise with Learning Organisation Working Group to identify and disseminate key knowledge on consumer participation.

### Outcomes and Achievements

- Brophy Client Satisfaction Survey for 12 month period to June 2017 capturing 139 surveys of the client's experience of Brophy service.
- Research and provide tools and resources to Brophy staff to ensure quality consumer participation and feedback processes.
- Brophy age appropriate survey developed and available to collect children's feedback in designated program areas.
- Continue with implementation of "Tell us what you think" feedback tools, documents and processes. Promote the use of Riskman to capture feedback.
- Continue to promote "Tell us what you think" in Social media, website, emails and staff.
- Each Team has developed and implemented a Consumer Participation Plan for 2017 and reports at a regional staff meeting on their activities throughout the year. This sharing assists the organisation with looking at best practice models. High quality of presentations throughout the year.
- Capture and celebrate consumer feedback, outcomes and achievements across the agency and into community via websites, print media and social media sites.

## Diversity

The Diversity Working Group aims to improve the capacity of services and programs to provide for the diversity of client needs in a safe and appropriate manner. Its key objectives are to:

- Conduct diversity audit reviews.
- Recommend key diversity improvements to be implemented across the organisation annually and three yearly.
- Review policies and procedures related to improving diversity in service planning, access, assessment and delivery.
- Review and implement the organisation's Diversity Strategy in context of our community diversity needs.
- Review the induction and orientation programs relating to diversity needs.
- Assist teams to implement diversity strategies.
- Liaise with the Learning Organisation Working Group to identify and disseminate key knowledge on diversity.
- Coordinate with Learning Organisation Working Group to deliver cultural awareness and culturally safe training opportunities for staff.
- Agency staff aware of and able to access language/ interpreter services for CALD clients
- Staff are trained in access to and Use of Language services
- Continuation of the Friday Feed project as identified community gap for meals and support for vulnerable community members.
- Idahobit and Wear it Purple Day participation completed in 2017.
- Coordinate the delivery of LGBTIQ+ training to all new staff.
- Appropriate and consistent signage across all sites to create a welcoming environment reviewed annually. – achieved Quality Accreditation.
- Continuation of self-assessment to be considered for future Rainbow Tick accreditation in March 2018.

## Outcomes and Achievements

- Delivery and regular review of the 2016-17 Agency Diversity Plan. Includes a broad range of strategies to be delivered under the areas of CALD (Culturally and Linguistically Diverse) groups, indigenous, gender diverse, homelessness and disability. The strategies apply across the organisation and are monitored for outcomes by the Diversity Working Group.
- Continue to be involved in Warrnambool Multicultural Network. Attend bimonthly meetings, continue to be involved in initiatives of the Multicultural network.
- Participate in NAIDOC week and Close the Gap celebration – March 2017 & May 2017 - Brophy & headspace participation.
- Identify and document Brophy's vision for reconciliation through the development of an agency Reconciliation Action Plan focussing on developing actions under areas of Relationships, Respect and Opportunities focusing on mutual benefits.



## Learning Organisation

The purpose of the Learning Organisation Working Group (LOWG) is to strengthen the organisational learning culture through leadership, training and communication and by promoting opportunities for sharing and reflection on practice at a personal and professional level.

The LOWG organises the 4 agency wide Learning Organisations days, where the agency closes for staff training. One of the highlights of this years days was the Diversity Day held in September. This day saw the agency travel around the local area to cultural sites with Rob Lowe, a local Aboriginal elder.

We also had presentations from a local disability organisation, where parents and clients presented their experiences of living with a disability, and presentations from the Warrnambool Resettlement Program where recently resettled community members told of their experiences and how they came to settle in Warrnambool.

## Case Practice

Brophy Family & Youth Services recognizes the importance of providing high quality consistent case practices across all areas of service delivery which uphold and promote the rights and responsibilities of people accessing services and maintain high professional standards. The Case Practice Working Group was established to develop a shared understanding of organisational case practice standards and ensure consistency of documentation and practice.

Case Practice coordinates the annual client file audit program across the agency, auditing to ensure compliance with legislation and standards. The group also reviews all documents related to case work including documents like the Case Practice Manual which underpins all of our client work. The group monitors for promising practice interventions and frameworks that can be shared and developed across the agency and assists teams to embed best practice through continuous improvement strategies and annual planning.

Regardless of distance there is always someone available.

*Foster Care Carer 2017*





## Workplace Health and Safety (WH&S)

The WH&S Committee's role is to ensure the health and safety at work of all employees. We are also responsible for reviewing and updating policies and procedures to comply with legislation and standards.

This year we reviewed our security and fire systems at our Warrnambool CBD buildings and made upgrades to our systems. We also conducted our annual evacuation drills and site audits.

The committee has organised staff training this year including: Occupational Violence Prevention, Defensive Driver and First Aid. We also celebrated "Stress Down Day" encouraging staff to wear active wear to work. The group coordinated a group walk, mindfulness activity and a group lunch raising money for LifeLine.

The Committee continues to review Employee and facility related incident reports and actions these to ensure that Brophy remains a safe place to work.

## Volunteers Working Group

Brophy Family & Youth Services recognizes the important role Volunteers have in providing high quality assistance to specific Program areas. The Volunteers Working Group coordinates activities to ensure that we celebrate and thank our dedicated volunteers

### Outcomes and Achievements

This year we celebrated Volunteers Week in May by organising a morning tea. Every December we organise our Annual Christmas Party for children and carers in our Out of Home Care programs. This party involves lots of party food and activities.

## Acknowledgments

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Brophy Family and Youth Services acknowledges the generosity of individuals, businesses, community groups, philanthropic trusts, the Federal and Victorian Governments who support the work of this organisation to support and strengthen young people and families in the community.

### Federal Government

- Department of Families, Housing and Community Services and Indigenous Affairs
- Department of Health and Aging
- Department of Education and Training
- Victorian State Government
- Department of Health & Human Services
- Department of Justice and Regulation

### Donations

We are greatly appreciative of the donations received from our community that support our work with young people and families.

### Foster Care Opportunity Shop

These hard working and dedicated volunteers provide great support to the Out of Home Care Program by providing clothing for children and with financial support to carers and children in care.

### Volunteer Carers

Volunteer carers perform an amazing task in caring for children and young people who need out of home care or kinship care. Their job is challenging, often with very little tangible reward, but all would report they love the stimulus of having the children and young people in their lives and have been enormously enriched by this experience and would not want to change anything. We continue to be truly thankful for these extraordinary people who continue to open their lives and homes to children and young people in the hope of providing them with a positive experience upon which to start rebuilding their lives.

## Partners and Supporters

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Australian Childhood Foundation  
Barwon Youth  
Bethany  
Brauer College  
Brotherhood of St Lawrence  
Centacare  
Centrelink  
Centre Against Sexual Assault  
Child & Adolescent Mental Health Service  
Child First & Integrated Family Services  
Clontarf Academy  
Community College Warrnambool (SEAL)  
Community Southwest  
Dale Cleves Music  
Deakin University Medical School  
Department of Justice & Regulation  
Dhauwurd-Wurrung Community Health Services  
Drum Drum  
Early Childhood Services & Maternal Health Services  
Eastern Access Community Health  
East Warrnambool Community House  
Emma House  
Foster Care Opportunity Shop  
Frances Hewitt Centre  
Geelong Adolescent Sexuality Project (GASP)  
Glenelg Council  
Grandparents Victoria  
Gunditjmara Aboriginal Cooperative Ltd  
Hawkesdale College  
headspace National  
Hip Pocket Workwear  
Kinship Care Victoria  
LADDER  
Lions Club of Portland  
Learn to Drive (L to P)  
Lighthouse Theatre  
Local Learning & Employment Network  
Lyndoch  
Maternal & Child Health Services  
McLaren Hunt  
Mental Illness Foundation  
Mentor 2 Work  
Monivae College  
Mortlake College  
Mpower  
Murray City Country Coast GP Training  
National Youth Mental Health Foundation  
Norton Ford Motor Group

Panmure Primary School  
Portland Re-engagement Centre  
Portland Secondary College  
Primary Health Network Western Victoria  
Rainbow Network  
Raphael Centre  
RMIT Hamilton  
Rotaract Club of Warrnambool  
Rotary Club of Port Fairy  
Rotary Club of Warrnambool  
Royal Children's Hospital Gender Centre  
Safe and Welcome Businesses  
Safe Schools Coalition Victoria  
Salvo Connect  
Southwest Community Foundation  
Southwest Healthcare  
South West Institute of TAFE  
Southern GP Training  
Southern Grampians Adult Education  
Southern Grampians Shire Council  
South West Child & Family Services Alliance  
South West Primary Care Partnership  
St John of God Hospital  
St Vincent de Paul  
SYN Media Melbourne  
Tasty Plate  
The Western Region Alcohol and Drug Centre  
Transgender Victoria  
YACVIC  
Youth Affairs Council of Victoria  
Youth Justice  
Vic Roads  
Victoria Police  
Victorian Aids Council  
Volunteering Warrnambool  
Warrnambool City Council  
Warrnambool College  
Warrnambool Community House  
Warrnambool and District Foodshare  
Warrnambool Independent Traders  
Warrnambool Rotary Daybreak  
Western District Employment Access  
Western District Health Service  
Western Victoria Primary Health Network  
Westvic Container Export Pty Ltd  
Westvic Staffing Solutions  
Windamara Aboriginal Corporation  
Y-Gender, Transgender Victoria  
Zoe Belle Gender Centre  
3WAYFM Warrnambool

**Brophy Family and Youth Services Inc.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**



# Brophy Family and Youth Services Inc.

## COMMITTEE REPORT

The committee present their report, together with the financial statements, on the incorporated association for the financial year ended 30 June 2017.

### Committee Members

The names of the committee members throughout the financial year and up to the date of this report are:

Danielle Cornelissen	(Chair)
Robert Duynhoven	
Karen Foster	
Clare Vaughan	
Debbie Nankervis	
Kristy Hess	
Ian Fitzgibbon	(Resigned 28 February 2017)
Anna Hornbech	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Meetings of Committee

During the financial year, 8 meetings were held. Attendances by each director were as follows:

	Directors meetings	
	Number eligible	Number attended
Danielle Cornelissen	10	7
Robert Duynhoven	9	5
Karen Foster	4	3
Clare Vaughan	10	9
Debbie Nankervis	10	8
Kristy Hess	10	8
Ian Fitzgibbon	7	6
Anna Hornbech	10	8

### Principal Activities

The principal activity of the association during the financial year was providing youth services to South West Victoria. No significant change in the nature of these activities occurred during the year.

### Operating Result

The surplus from ordinary activities amounted to \$578,658 (2016: surplus (\$274,634)).


## Brophy Family and Youth Services Inc.

### COMMITTEE REPORT (CONT)

#### After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Signed in accordance with a resolution of the Committee:



Name:

Dated this 6 day of November 2017.



Name:

# Brophy Family and Youth Services Inc.

## COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>REVENUE</b>			
Operating grants	2	8,419,245	7,702,758
Interest		57,436	57,994
Net gain on disposal of physical assets	3	3,530	13,897
Other revenue	4	931,638	959,952
Catering revenue	5	25,798	-
<b>TOTAL REVENUE</b>		<b>9,437,647</b>	<b>8,734,601</b>
<b>EXPENSES</b>			
Employee Expenses	6	6,718,200	5,873,901
Operating Expenses	7	2,259,843	2,156,242
Depreciation Expense	8	271,226	271,588
<b>TOTAL EXPENSES</b>		<b>9,249,269</b>	<b>8,301,731</b>
<b>RESULT BEFORE OTHER INCOME</b>		<b>188,378</b>	<b>432,870</b>
<b>OTHER INCOME</b>			
Donations & fundraising	2	214,881	165,252
Capital grants		14,500	25,095
Control of Realise Enterprises Ltd	22	160,899	-
<b>RESULT FOR THE YEAR</b>		<b>578,658</b>	<b>623,217</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Net fair value revaluation on non-financial assets		-	(348,583)
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>578,658</b>	<b>274,634</b>

The accompanying notes form part of these financial accounts.



# Brophy Family and Youth Services Inc.

## BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	9	3,924,101	3,332,321
Receivables	10	390,741	145,282
Inventories		16,168	4,059
Other Assets	11	33,445	82,106
<b>Total Current Assets</b>		<b>4,364,455</b>	<b>3,563,768</b>
<b>Non Current Assets</b>			
Property plant and equipment	12	4,984,908	4,811,417
<b>Total Non Current Assets</b>		<b>4,984,908</b>	<b>4,811,417</b>
<b>TOTAL ASSETS</b>		<b>9,349,363</b>	<b>8,375,185</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	13	625,624	554,433
Employee Benefits	14	896,700	784,114
Other Liabilities	15	635,710	510,508
<b>Total Current Liabilities</b>		<b>2,158,034</b>	<b>1,849,055</b>
<b>Non Current Liabilities</b>			
Employee Benefits	14	413,866	327,325
<b>Total Non Current Liabilities</b>		<b>413,866</b>	<b>327,325</b>
<b>TOTAL LIABILITIES</b>		<b>2,571,900</b>	<b>2,176,380</b>
<b>NET ASSETS</b>		<b>6,777,463</b>	<b>6,198,805</b>
<b>EQUITY</b>			
Accumulated Funds		6,658,736	6,080,078
Asset Revaluation Reserve	17	118,727	118,727
<b>TOTAL EQUITY</b>		<b>6,777,463</b>	<b>6,198,805</b>

The accompanying notes form part of these financial accounts.

# Brophy Family and Youth Services Inc.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Asset Revaluation Reserve \$	Accumulated Funds \$	Total \$
Balance 1 July 2015	467,310	5,456,861	5,924,171
Net surplus for the year	-	623,217	623,217
Other comprehensive income for the year	(348,583)	-	(348,583)
Balance 30 June 2016	118,727	6,080,078	6,198,805
Net surplus for the year	-	578,658	578,658
Other comprehensive income for the year	-	-	-
Balance 30 June 2017	118,727	6,658,736	6,777,463

The accompanying notes form part of these financial accounts.

# Brophy Family and Youth Services Inc.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grants received		7,910,897	8,202,202
Interest received		39,349	69,819
Other revenue received		1,616,003	642,666
Net GST received/(paid)		33,992	53,510
Payments to employees		(6,523,806)	(5,718,520)
Payments to suppliers		(2,252,383)	(2,028,217)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	16	<u>824,052</u>	<u>1,221,460</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-financial assets		(410,416)	(266,373)
Proceeds from sale of non-financial assets		50,755	88,820
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<u>(359,661)</u>	<u>(177,553)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Movement in borrowings		-	-
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		464,391	1,043,907
Cash received from Realise Enterprises		127,389	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>3,332,321</u>	<u>2,288,414</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	9	<u>3,924,101</u>	<u>3,332,321</u>

The accompanying notes form part of these financial accounts.

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### **Note 1: Statement Of Accounting Policies**

The financial report covers Brophy Family and Youth Services Inc. as an individual entity. Brophy Family and Youth Services Inc. is an association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012 (VIC).

The financial statements were authorised for issue on the 6th November 2017 by the members of the committee.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Associations Incorporation Reform Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow statement have 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### **(a) Income Tax**

The association is exempt from income tax under sub-section 28(e) of the Income Tax Assessment Act 1936 as amended.

#### **(b) Fair Value of Assets and Liabilities**

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transactions between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustment to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability. If the absence of such a market, information is extracted from the most advantageous market available at reporting date.

For non-financial assets, the fair value measurement also taken into account a market participant's ability to use the asset in its highest or best use or to sell it to another market participant that would use the asset in its highest or best use.



# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### (c) Property, Plant and Equipment

#### Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess on the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

#### Depreciation

The depreciable amounts of all fixed assets including buildings, but excluding land, are depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 10%
Office Equipment	10% - 100%
Motor Vehicles	20% - 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

### (d) Leases

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

### (e) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectable are written off.

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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(f) **Payables**

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Net 30 days.

(g) **Employee Benefits**

**Short-term employee benefits**

Provision is made for the associations obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The associations obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The associations obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(h) **Revenue**

Income is recognised as revenue when entitlement exists or upon receipt.

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

**Government Grants**

Grants are recognised as revenue when Brophy gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Government grants which are unspent at year end and relate to certain programs are reported as income in advance.

**Donations and Other Bequests**

Donations are recognised as revenue when the cash is received. Donations from charitable trusts are recognised as revenue when the amount is committed by the trust.

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

(i) **Cash and cash equivalents**

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

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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**(j) 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 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.

**(k) Impairment of Assets**

At each reporting date, the association reviews the carrying values of its tangible 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(l) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the company.

**Key Estimates - Impairment**

The company assesses impairment at each reporting date by evaluating conditions specific to the entity 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 has been recognised.

**Key Judgments - Provision for Receivables**

Management has completed an assessment of Receivables outstanding and conclude that no provision is to be recognised.

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(m) **New and revised accounting standards for application in future periods.**

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Brophy Family and Youth Services Inc has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on the Annual Statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>



# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>Note 2: Grants Received</b>		
<b>Operating Grants</b>		
Department of Human Services	7,142,367	6,187,529
Department of Education & Early Childhood Development	-	436,741
Primary Health Network Grant	792,229	-
University of Melbourne: Headspace	-	829,997
Other Grants	484,649	248,491
	<u>8,419,245</u>	<u>7,702,758</u>
<b>Donations &amp; Fundraising</b>		
Donations	214,229	121,091
Fundraising	652	44,161
	<u>214,881</u>	<u>165,252</u>
<b>Note 3: Net Gain From Disposal Of Non-financial Assets</b>		
Proceeds from disposal	50,755	88,818
Less: Written down value of non-financial assets disposed	(47,225)	(74,921)
	<u>3,530</u>	<u>13,897</u>
<b>Note 4: Other Revenue</b>		
Co-location, Rent and Service Fees	49,278	36,485
Fee for Service	36,315	-
Medicare Rebates	253,141	259,054
Recognition of NILS Loan Balance	-	84,404
Brokerage Income	364,600	371,404
Miscellaneous Income	228,304	208,605
	<u>931,638</u>	<u>959,952</u>
<b>Note 5: Catering Income</b>		
Catering Fees	33,243	-
Lesss cost of food	(7,445)	-
	<u>25,798</u>	<u>-</u>
<b>Note 6: Employee Expenses</b>		
Salaries & Wages	6,056,660	5,313,232
Superannuation	574,490	477,939
Workcover	87,050	82,730
	<u>6,718,200</u>	<u>5,873,901</u>

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>Note 7: Operating Expenses</b>		
Delivery Costs	790,485	945,760
Program Outsourcing	370,390	209,979
Building & Occupancy	290,214	253,283
Recruitment & Training	196,576	192,118
Motor Vehicle Expenses	134,669	128,859
Office Expenses	129,640	183,515
Computer Expenses	71,741	62,918
Audit, Legal Fees & Consulting Fees	79,301	31,014
Banking Costs	3,396	3,099
Memberships & Subscriptions	17,129	14,259
Staff Expenses	61,588	61,878
Committee of Management & AGM	10,237	7,684
Sponsorship and Donations	104,477	61,876
	<u>2,259,843</u>	<u>2,156,242</u>
<b>Note 8: Depreciation expense</b>		
Buildings	97,804	123,182
Plant & Equipment	43,245	35,182
Motor Vehicles	130,177	113,224
	<u>271,226</u>	<u>271,588</u>
<b>Note 9: Cash and cash equivalents</b>		
Cash in hand	3,400	2,750
Cash at Bank	3,920,701	3,329,571
	<u>3,924,101</u>	<u>3,332,321</u>
<b>Note 10: Receivables</b>		
Sundry Debtors	166,809	51,057
NILS Receivable	125,240	87,899
Accrued income	98,692	6,326
	<u>390,741</u>	<u>145,282</u>
<b>Note 11: Other assets</b>		
Prepayments	30,678	82,106
Rent received in advance	667	-
Other assets	2,100	-
	<u>33,445</u>	<u>82,106</u>

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>Note 12: Property, Plant &amp; Equipment</b>		
Land - at fair value	920,000	920,000
<b>Total Land</b>	<b>920,000</b>	<b>920,000</b>
Leasehold Improvements	223,298	151,153
Less Accumulated Depreciation	(103,439)	(53,408)
	<b>119,859</b>	<b>97,745</b>
Buildings - at cost	2,780	-
Buildings - at fair value	3,305,000	3,305,000
Less Accumulated Depreciation	(82,689)	-
	<b>3,225,091</b>	<b>3,305,000</b>
<b>Total Buildings</b>	<b>3,344,950</b>	<b>3,402,745</b>
Plant and Equipment	688,598	539,231
Less Accumulated Depreciation	(518,551)	(431,330)
	<b>170,047</b>	<b>107,901</b>
Motor Vehicles	631,103	547,835
Less Accumulated Depreciation	(250,110)	(167,064)
	<b>380,993</b>	<b>380,771</b>
Works in progress	<b>168,918</b>	<b>-</b>
<b>Summary</b>		
Total Property, Plant and Equipment - at fair value	4,225,000	4,225,000
Total Property, Plant and Equipment - at cost	1,545,779	1,238,219
Total Works in Progress	168,918	-
Less Accumulated Depreciation	(954,789)	(651,802)
	<b>4,984,908</b>	<b>4,811,417</b>

Valuation of land and buildings at Portland and Fairway Crescent Warrnambool was undertaken by a Certified Practising Valuer ("Opteon") based on the summation of land and improvements approach. The valuation of land and buildings is at fair value at 30/6/2016.

Valuation of land and buildings at Hamilton was undertaken by a Certified Practising Valuer ("Opteon") based on the direct comparison and summation approach. The valuation of land and buildings is at fair value at 30/6/2016.

Valuation of land and buildings at 210 Timor Street Warrnambool was undertaken by a Certified Practising Valuer ("Preston Rowe Paterson") and is based on depreciated replacement cost, as there is no market based evidence for fair value due to the specialised design of the building. Based on deemed cost, the valuation of land and buildings is at fair value at 30/6/2016

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### Note 12: Property, Plant & Equipment (cont.)

#### Movements in carrying amounts:

	Land	Buildings & Improvements:	Plant & Equipment	Motor Vehicles	Works in Progress	Total
Balance at 1 July 2015	1,056,000	3,738,510	92,311	353,315	-	5,240,136
Additions	-	-	50,772	215,601	-	266,373
Disposals	-	-	-	(74,921)	-	(74,921)
Revaluation	(136,000)	(212,583)	-	-	-	(348,583)
Depreciation expense	-	(123,182)	(35,182)	(113,224)	-	(271,588)
Carrying amount at 30 June 2016	920,000	3,402,745	107,901	380,771	-	4,811,417
Balance at 1 July 2016	920,000	3,402,745	107,901	380,771	-	4,811,417
Realise Enterprises contribution	-	38,051	10,972	-	32,000	81,023
Additions	-	2,780	93,098	177,624	136,918	410,420
Disposals	-	-	-	(47,225)	-	(47,225)
Depreciation expense	-	(98,626)	(41,924)	(130,177)	-	(270,727)
Carrying amount at 30 June 2017	920,000	3,344,950	170,047	380,993	168,918	4,984,908

#### Fair value hierarchy

	Carrying amount as at 30 June 2017		Fair value measurement at end of reporting period using:		
			Level 1 (i)	Level 2 (i)	Level 3 (i)
Plant & equipment	170,047				170,047
Vehicles	380,993				380,993

Total of plant, equipment and vehicles at fair value

#### (i) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### Note 12: Property, Plant & Equipment (cont.)

In addition, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Vehicles

Vehicles are valued using the depreciated replacement cost method. The association acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the association who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

#### Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2016.

For all assets measured at fair value, the current use is considered the highest and best use.

There have been no transfers between levels during the period.

#### Description of significant unobservable inputs to Level 3 valuations

Valuation techniques	Vehicles Depreciated replacement cost	Plant and equipment Depreciated replacement cost
Significant unobservable inputs (Range)	Cost per unit (\$20,000 to \$25,000)  Useful life (3 to 5 years)	Cost per unit (\$100 to \$10,000)  Useful life (1 to 10 years)
Sensitivity of fair value measurement to in significant unobservable inputs	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>Note 13: Payables</b>		
Trade Creditors	179,176	111,921
Accrued Salaries & Wages	146,352	103,147
BAS Payable	268,963	234,971
Other Payables	31,133	104,394
	<u>625,624</u>	<u>554,433</u>
<b>Note 14: Employee Benefits</b>		
<b><u>Current</u></b>		
Annual Leave		
- expected to be settled within the next 12 months	477,499	350,700
- expected to be settled after 12 months	42,709	119,472
Long Service Leave		
- expected to be settled within the next 12 months	45,528	37,417
- expected to be settled after 12 months	330,964	276,525
	<u>896,700</u>	<u>784,114</u>
<b><u>Non Current</u></b>		
Long Service Leave	413,866	327,325
	<u>413,866</u>	<u>327,325</u>
<b>Total Employee benefits</b>	<u>1,310,566</u>	<u>1,111,439</u>
<b>Note 15: Other Liabilities</b>		
Income Received In Advance	605,710	480,508
Interest Free Loan - Gwen & Edna Jones Foundation	15,000	15,000
Interest Free Loan - Ray & Joyce Uebergang Foundation	15,000	15,000
	<u>635,710</u>	<u>510,508</u>

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>Note 16: Cash Flow Information</b>		
Net result for year	578,658	623,217
Non-cash flows in profit		
Depreciation	270,723	271,588
Recognition of NILS Balance	-	(87,899)
Net (gain) / loss on disposal of assets	(3,530)	(13,897)
Net assets received from Realise Enterprises	(160,899)	-
Changes in Assets & Liabilities:		
(Increase)/Decrease in other assets	48,661	(59,585)
(Increase)/Decrease in inventory	712	136
(Increase)/Decrease in receivables	(222,451)	(11,410)
Increase/(Decrease) in other liabilities	125,202	102,945
Increase/(Decrease) in payables	15,315	240,984
Increase/(Decrease) in employee benefits	171,661	155,381
<b>Net Cash provided by Operating Activities</b>	<b>824,052</b>	<b>1,221,460</b>
<b>Note 17: Asset Revaluation Reserve</b>		
The asset revaluation reserve records revaluations of non current assets.		
<b>Note 18: Capital and Leasing Commitments</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	-	82,800
- between 12 months and 5 years	-	-
	<b>-</b>	<b>82,800</b>
<b>Capital Commitments</b>		
Capital commitments payable within 12 months	<b>1,000,000</b>	<b>37,735</b>
<b>Note 19: Contingent Liabilities and Contingent Assets</b>		
The association is not aware of any contingent liabilities or assets as at 30 June 2017 (2016: nil).		
<b>Note 20: Related party transactions</b>		
There have been no related party transactions during the year (2016: nil).		
<b>Note 21: Key Management Personnel Compensation</b>		
Short Term Benefits	522,417	
Post Employment	48,126	
Long Term Benefits	12,274	
	<b>582,817</b>	

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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### **Note 22: Control of Realise Enterprises Inc.**

The Board of Realise Enterprises Inc. resolved via a special resolution, to voluntarily wind up Realise Enterprises Inc. as at 19 May 2017, with the operations, assets and liabilities at their carrying amounts, to be transferred to Brophy Family and Youth Services Inc. as part of the merger, effective from 19 May 2017 for nil consideration. As a result the net position of Realise Enterprises as at 19 May 2017, has been recognised as income in the current year amounting to \$160,899 and the financial performance from 19 May 2017 to 30 June 2017 included in the operating performance of the entity.

### **Note 23: Segment Reporting**

The association operates predominantly in one business and geographical segment, being the provision of family and youth services in South West Victoria .

### **Note 24: Association Details**

The registered office and principal place of business is:

Brophy Family & Youth Services  
210 Timor Street  
Warrnambool VIC 3280

### **Note 25: Financial Risk Management**

#### **a. Financial Risk Management**

The association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The association does not have any derivative instruments at 30 June 2017

#### **(i) Treasury Management**

The finance committee meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

#### **(ii) Financial Risks**

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

##### ***Interest rate risk***

Interest rate risk is managed with a mixture of fixed and floating rate debt, when required.

##### ***Foreign currency risk***

The association is not exposed to fluctuations in foreign currencies.

##### ***Liquidity risk***

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.



# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### Note 25: Financial Risk Management (Cont)

#### a. Financial Risk Management (Cont)

##### Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

Credit risk is managed and reviewed regularly by the Board of Management. It arises from exposures to customers as well as through deposits with financial institutions.

The Board of Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties: only banks and financial institutions with an 'A' rating are utilised.

##### Price risk

The association is not exposed to any material commodity price risk

#### b. Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Non Interest Bearing		Total	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial Assets</b>												
Cash and cash equivalents	1.80	2.40	3,920,701	3,329,571	-	-	-	-	3,400	2,750	3,924,101	3,332,321
Loans and Receivables	-	-	-	-	-	-	-	-	292,049	138,956	292,049	138,956
<b>Total Financial Assets</b>			<b>3,920,701</b>	<b>3,329,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>295,449</b>	<b>141,706</b>	<b>4,216,150</b>	<b>3,471,277</b>
<b>Financial Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	625,624	554,433	625,624	554,433
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625,624</b>	<b>554,433</b>	<b>625,624</b>	<b>554,433</b>
<b>Net</b>			<b>3,920,701</b>	<b>3,329,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(330,175)</b>	<b>(412,727)</b>	<b>3,590,526</b>	<b>2,916,844</b>

Trade and Sundry Payables are expected to be paid as follows:

	2017 \$	2016 \$
Less than 6 months	625,624	554,433
6 months to 1 year	-	-
1 - 5 years	-	-
Over 5 years	-	-
<b>Total</b>	<b>625,624</b>	<b>554,433</b>

# Brophy Family and Youth Services Inc.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### Note 25: Financial Risk Management (Cont)

#### c. Net Fair Value

Financial assets and liabilities listed at their net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on an organised market. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2017		2016	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and Cash Equivalents	3,924,101	3,924,101	3,332,321	3,332,321
Loans and Receivables	292,049	292,049	138,956	138,956
<b>Total</b>	<b>4,216,150</b>	<b>4,216,150</b>	<b>3,471,277</b>	<b>3,471,277</b>
<b>Financial Liabilities</b>				
Trade and other payables	625,624	625,624	554,433	554,433
<b>Total</b>	<b>625,624</b>	<b>625,624</b>	<b>554,433</b>	<b>554,433</b>

Fair values are materially in line with carrying values.

#### iv. Sensitivity Analysis

##### Interest Rate Risk

The trust has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

##### Interest Rate Sensitivity Analysis:

At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2017	2016
	\$	\$
Change in profit		
Increase in interest rate by 2%	78,482	66,646
Decrease in interest rate by 2%	(78,482)	(66,646)
Change in equity		
Increase in interest rate by 2%	78,482	66,646
Decrease in interest rate by 2%	(78,482)	(66,646)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

## Brophy Family and Youth Services Inc.

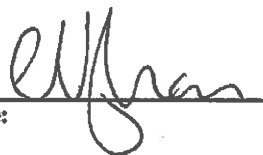
### STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report, comprising the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming the financial report:

1. Presents a true and fair view of the financial position of Brophy Family and Youth Services Inc. as at 30 June 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-profit Commission Act 2012.
2. At the date of this statement, there are reasonable grounds to believe that Brophy Family and Youth Services Inc. will be able to pay its debts as when they fall due.

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

  
Name: \_\_\_\_\_

  
Name: \_\_\_\_\_

Dated this 6 day of November 2017.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BROPHY FAMILY AND YOUTH SERVICES INC.**

**Qualified Opinion**

We have audited the financial report of Brophy Family and Youth Services Inc. (the entity), which comprises the balance sheet as at 30 June 2017, the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and statement by members of the committee.

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the accompanying financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act (VIC) 2012*.

**Qualification**

The entity has not complied with the recognition criteria of the Australian Accounting Standards AASB 118 & AASB 1004. The correct application of the recognition criteria of AASB 118 & AASB 1004 would result in the current balance treated as a liability, income in advance, amounting to \$418,083 to be recognised as income in the current year.

**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 entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act (VIC) 2012* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

#### Independence

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

*McLaren Hunt*  
**MCLAREN HUNT**  
**AUDIT AND ASSURANCE**

*N.L. McLean*  
**N.L. MCLEAN**  
**PARTNER**

Dated at Warrnambool; 6<sup>th</sup> November 2017.