



Annual Report 2019/20

2020 - Celebrating 40 Years of Service







Kaya Wanju Hello Welcome

People Who Care acknowledges Aboriginal and Torres Strait Islander People as the traditional owners and custodians of this land and its waters. We wish to pay our respects to Elders past, present and future and extend this to all Aboriginal people seeing this message.



-  08 9379 1944
-  enquiries@peoplewhocare.org.au
-  48 James Street, Guildford WA 6055
-  PO Box 26, Guildford WA 6935
-  peoplewhocare.org.au
-  [f](#) [in](#) [t](#) [peoplewhocareinc](#)



Why We Exist

OUR VISION

Connecting people to create communities of people who care.

OUR PURPOSE

Bringing caring people together to create community wellbeing.

OUR VALUES

- Connecting and Caring
- Presence and Compassion
- Volunteerism and Contribution
- Creativity and Innovation



What We Do

People Who Care provides the following services in the community and through our various centres and hubs:

- My Aged Care
- National Disability Insurance Scheme (NDIS)
- Community Visitor's Scheme (CVS)
- Starting Over Support (SOS)
- Emergency Relief
- Power a Pensioner

Message From Our Board Chair

People Who Care remains as one of the oldest volunteer-based organisations of its type operating across the Perth Metropolitan Region today. Established 40 years ago the organisation has maintained a consistent focus on ensuring that the needs of people of all ages are addressed in a myriad of ways to improve quality of life and wellbeing.



The funding programs have changed significantly over time as have the increasingly rigorous compliance demands and financial sustainability challenges. The last two years in particular has required the organisation to embark upon a comprehensive reappraisal of our governance, management, and leadership structures.

The success of these endeavours is a credit to the patience and dedicated resolve of our large volunteer base and the skill and commitment of our staff led by our CEO and senior managers. A largely refreshed board has worked to support the change and implementation process that has this year delivered a result that is outstanding in terms of the services delivered to communities across Perth. A stable financial base has also been established from which to continue meeting the growing diversity of needs this organisation remains ready to creatively address going forward into 2021.

This year we witnessed the arrival of an unexpected and profoundly life-changing community crisis in the form of COVID-19. All of you rose selflessly to the challenge given that many of the most at-risk groups comprised both our clients and volunteers.

Services have been significantly disrupted and everyone was asked to take on that extra level of difficulty that the various restrictions and personal protective requirements added to your day-to-day contributions. On behalf of the Board I would like to thank you for your commitment, patience and resolve during these difficult times. Many of the challenges remain and the organisation continues to proactively engage with whatever requirements and recommendations are required to ensure your safety and protection and that of our clients.

People Who Care has always been unique in its commitment to service through the involvement and participation of volunteers giving back to their local communities. This need is as great as it has always been. The Board strongly believes that this year's achievements now equip People Who Care to approach our Purpose with a renewed strength, financial sustainability and resolve.

Andrew Allsop
Board Chair

Board of Directors (as at end of June 2020)

Andrew Allsop	Chair
Susan Farrell	Deputy Chair
Susan Jacobs	Treasurer
Robert Wells	Secretary
Afife Schirripa	
Antony Beaumont	
Brett Shields	
Godfrey White	
Roslyn Harley	
George Yotopoulos	(Retired 29 November 2019)
Violet Bacon	(Retired 29 November 2019)
Grace Henry	(Resigned 30 October 2019)
Louise Verden	(Resigned 28 January 2020)
Liam Murphy	(Resigned 19 February 2020)

Sub-Committee

Finance and Risk Sub-Committee

Susan Jacobs
Brett Shields
Antony Beaumont



CEO Message

Thank you Team 'People Who Care'

Firstly, I would like to thank the Staff Team of volunteers and employees, the Board, our community partners and donors, the point-people for our government contracts, and the clients – you always make me smile!

As you continue to read my and other reports from this year, you will understand a little more of why I am so thankful.

40 Years - A Legacy of Servanthood

This organisation was founded 40 years ago, in the early 1980's, by the Hughes family to serve older people by providing garden help so they could feel safe to remain in their own homes. I am very proud to declare that the Staff Team assuredly continues this legacy of servanthood and generosity.

Today, we are undoubtedly a much larger team, covering Perth through to Peel, but the heart to serve generously and skillfully is no less potent. Each and every day of the week we come alongside older people and those with disability to enjoy the life they have made and continue to make in their homes and community. Our above and beyond work helps people who, for a season, are struggling financially or having to start over following violence and disruption...

... the Legacy of Servanthood continues.





A Giant Year

It was a giant year for sure! I was appointed in May 2019, and because of a supportive Board, Leadership Team and whole Staff Team, we have finished exceptionally well.

At the commencement of this year, our immediate attention was to bravely face a challenging financial position but just as importantly to understand and support a Team to keep up the good work. This first half was about knowing our position; our contracts, programs and finances to develop a plan. This plan led to some restructuring and the closure of some elements to begin ensuring we were working and living within our means. Kristy Ryan, was appointed in November to be our CFO, and has brought immense strength to the Team. We were also successfully audited by the Aged Care Quality and Safety Commission and the Department of Communities (Disability) for our services – a massive thank you to those involved in what is always a demanding time.

The second half of the year began with our Information Communication Technology Project to support efficiencies, and the quality and safety of our services... and then the COVID-19 pandemic hit! Like all organisations supporting vulnerable people in the community, our ability to flex quickly and safely consumed us on a daily basis. I was inspired by the Team's willingness to consistently review and adjust over the following months. The impact of this crisis saw our Team's inherent ability to innovate by: developing the TouchPoint Team which kept in touch via phone and video-calls with our many home-bound clients; partnering with a private catering business to prepare nutritious meals; delivering meals safely; gathering donations for book and pamper packs to be dropped off at people's homes.



Whilst our aged care and disability services continued well, the COVID-19 crisis meant our government funding for our Level-Up program (supporting the unemployed at eight sites) stopped overnight and our five Op Shops had to close too. The impact of this required a critical and quick response, which unfortunately resulted in a number of people's contracts not being renewed as well as strategically exiting from seven related leased properties over the coming four months. Positively merging into this critical time our services to people with disability (NDIS) grew significantly.

Navigating all of the change over this last year has been tough on some and taxing on most of the Staff Team, but it was essential. We have ended our giant year very well on many levels which has prepared us for the continued good work for future generations.

Thank you Team 'People Who Care'. Cheers to another 40 years!


Penny Webb
CEO

Help flatten the curve & stop the spread of COVID-19





Leadership Team

Penny Webb	Chief Executive Officer
Kristy Ryan	Chief Financial Officer
Vanessa Barlow	People and Culture
Leanne Jayaseela	Aged Care
Danielle O’Connell	People with Disability
Pablo Ospina	Aged Care
Donna Smith	Aged Care and Social Crisis Services
Alain Twynham	Corporate Services and Social Crisis Services

Anne-Marie Denney

Due to the COVID-19 Pandemic a significant structural change was made which resulted in a number of Op Shops and our Level-Up programs for people who were unemployed closing. This restructure implicated Anne-Marie’s role. We wish to extend our sincere thanks for her service to support the community through People Who Care.

Organisational Structure





Thank You Partners 2019/20

Volunteers

People Who Care volunteers are integral to the services we provide to the community. Our volunteers are active and represent a diversity of age, culture, skills and passions.

We truly thank each of you for your relentless contribution to the Staff Team and the people we serve.

Members

We have a vibrant and engaged membership base of 201 people who assist People Who Care to remain a strong voice and advocate in the communities People Who Care support. We are truly grateful for this support and the value our members bring.

Funding Bodies

- Department of Health
- National Disability Insurance Agency
- Department of Social Services
- City of Swan
- City of Vincent
- Lotterywest (WA)
- Department of Education, Skills and Employment through:
 - Max Employment
 - atWork Australia
 - APM
 - Konekt

Community Organisation Partners

- Activ Foundation
- Armadale Volunteer Resource Centre
- City of Armadale
- City of Gosnells
- City of Joondalup
- Cockburn Volunteer Resource Centre
- Department of Communities (Disability)
- Dreambuilders Care Inc.
- GoVolunteer
- Joondalup Resource Centre
- Melville Resource Centre
- Mundaring Christian College
- Nedlands Resource Centre
- North Metropolitan TAFE
- Peel Volunteer Resource Centre
- Status Employment
- Southern Hills Christian College
- Swan Volunteers
- United Way
- Volunteering WA
- Workpower

Organisation Donors

- ALDI
- Bunnings (Bayswater)
- Di Labio & Co
- Ikea
- The Lodge – Helen Vale Friendship Fund
- McGrath Community Fund
- Realmark – Leederville
- Rotary Club (North Perth, Como, City)
- Sorpotomist – Maylands Peninsula
- Stan Perron Charitable Foundation
- Tapping Lifestyle Village
- Uniting Church, City
- Ventura Homes
- T & I Wearne Charitable Trust (Inc)

Individual Donors

Thank you to the many individual people who have generously made a financial donation and given what they could to support our social crisis relief work this year. Some were able to give much and some a little, but it has not gone unnoticed and appreciated.

Where We Are

We basically cover all of Perth; south-east, north, east, south-west (this includes Mandurah/Peel).



People Numbers

People Supported

Overall number of people supported in an area of service.



3448
Older People
(CHSP, CVS, HACC)



215
individuals
&

190

accompanying
children;

Starting Over Support
helping people set up
their new home.



125
People with
Disability



367
People needing
'Financial Relief'



32
Older People
accessing
'Power a
Pensioner'



People Who Care Staff Team



123
Employees



446
Volunteers
as at 30 June 2020



22%
Voluntary
.....
14%
Non-voluntary

Staff Turnover

The voluntary employee rate for 2019/20 year was 22% and 14% for non-voluntary.

The 2019/20 voluntary rate of 22% was slightly lower comparative to the sector average. Low turnover is important as the people we support appreciate a stable workforce and it reflects an organisation's culture. The 14% non-voluntary rate was in the main due to a restructure and eventuating in one program closing, funded by the Department of Education, Skills and Employment, as funding ceased as a result of the COVID-19 pandemic.



The Brian Atkins Volunteer Excellence Award

This annual award commenced in 2015 to honour the commitment of Brian Atkins who completed 30 years of service as a volunteer with People Who Care. Brian sadly passed away in January 2019.

People Who Care staff members are able to nominate worthy fellow volunteers who demonstrate and embody our values.

The winner of the 2019 Brian Atkins Volunteer Excellence Award goes to:

Peter Sandars, Transport Driver in the South West

Peter is a long-time volunteer (8 years in 2019) in Transport Services either driving or answering the phones. He goes beyond expectations and will wait after hours for clients who have been held up at appointments. Peter is a kind and caring person and if there is anything he thinks we will need to know regarding a client's welfare he reports back to staff. Peter consistently advocates and promotes People Who Care's services to help others.

Thank you Peter

Nominees for 2019

- Linda Eastwood
- Olwyn Herold
- Peter Sandars
- Phil Stubbs
- Robert Wells
- Teena Rand

Treasurer's Report

It is with great pleasure that I present the 2019/20 financial report to the members.

I would like to acknowledge the outstanding effort by Penny and the Leadership Team in taking the organisation from what was a challenging financial position and an operating loss last year, to a stable financial position and an operating surplus this year. This result is even more remarkable when you overlay the COVID-19 pandemic and the agility demonstrated to adapt to an ever-changing landscape.



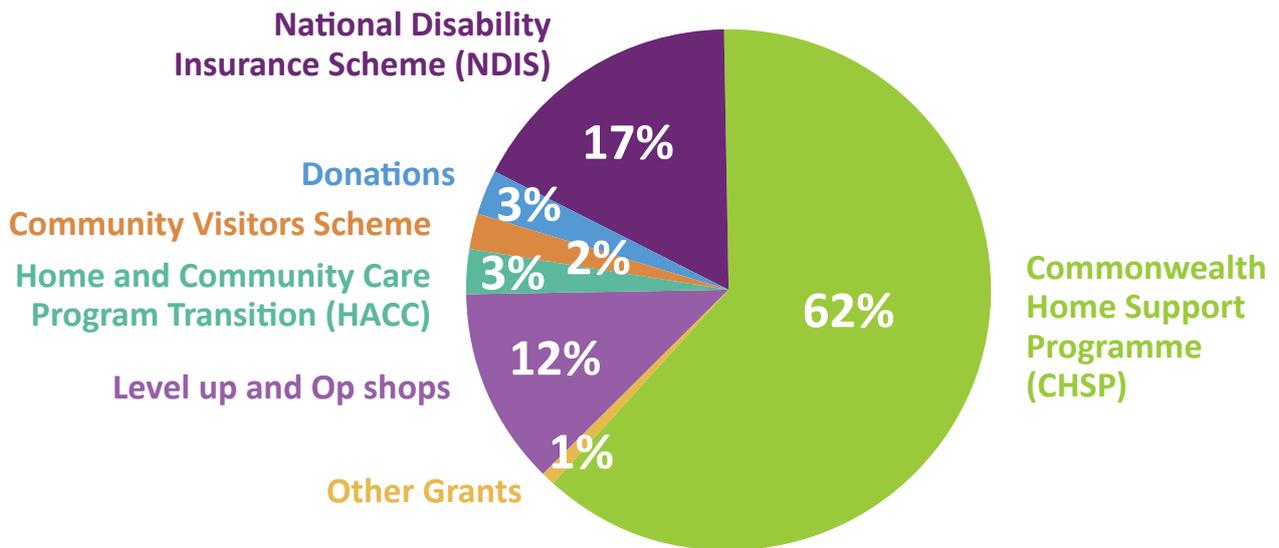
Key Financial Indicators

	Note	2019/20	2018/19
Operating Surplus (Loss)	(1)	\$990,958	(\$1,003,152)
Overall Surplus (Loss)		\$432,785	(\$2,488,006)
Growth in Income	(2)	12%	4%
Employment Costs as a % of Income		67%	71%
Overheads as a % of Income		16%	27%
Working Capital Ratio	(3)	1.1	0.6

All key financial indicators demonstrate strong positive trends since the previous year.

- (1) The operating surplus for the year is an almost \$2M turnaround from the 2018/19 year. The key contributors to that are growth in income, reduction in employment costs and in overhead costs as a % of income. The overall surplus is the reported result after accounting for asset disposals and revaluations, particularly relevant in 2018/19.
- (2) These indicators reflect the systematic effort made to remove excess cost while maintaining delivery, and in fact increasing the services offered to those who are aged and people with disability.
- (3) Working Capital reflects the financial stability of the organisation. It is the ratio of current assets to current liabilities and shows the ability to meet short-term commitments. This was a key area of concern in 2018/19, and happily not so in 2019/20.

Funding Streams 2019/20



The first quarter of 2020/2021 continues the trend of positive performance and contributes further to the organisation's financial strength. This provides a great platform to increase the ability of People Who Care to deliver quality services to the community we support such as taking on an additional contract effective from 1 July 2020 to deliver additional services to older people through the Commonwealth Home Support Program in the South East region of the Perth Metropolitan area.

Sue Jacobs
Board Treasurer



People Who Care Inc.
ABN 49 795 985 744

Annual Report - 30 June 2020

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General information

The financial report covers People Who Care Inc. ('Association') as an individual entity. The financial report is presented in Australian dollars, which is People Who Care Inc.'s functional and presentation currency. All figures presented in the financial report are rounded to the nearest dollar.

The financial report consists of the Financial Statements, Notes to the Financial Statements and the Directors' Declaration.

The financial report was authorised for issue by the Directors on 29th October 2020.

The Directors have the power to amend and reissue the financial report.

People Who Care Inc. Directors' Report

Board Members

The names of the Board of Management for the 2020 financial year are:

Andrew Allsop	George Yotopoulos (Retired 29 November 2019)
Susan Farrell	Grace Henry (Resigned 30 October 2019)
Susan Jacobs	Louise Verden (Resigned 28 January 2020)
Brett Shields	Violet Bacon (Retired 29 November 2019)
Robert Wells	Liam Murphy (Resigned 19 February 2020)
Godfrey White	Antony Beaumont
Afife Schirripa	Roslyn Harley

Company particulars

People Who Care Inc. is an association incorporated in Australia.

Principal place of business

48 James Street, Guildford, Western Australia 6055

Principal activities

The principal activity of the Association during the year was providing care and practical support services to the aged, people with disability, individuals and families following family and partner violence, the unemployed and those in financial distress.

There were no significant changes in the nature of activities of the Association during the year.

Operating and financial review

The result from ordinary activities for the year ended 30 June 2020 was a surplus of \$432,785 (2019: a loss of \$2,488,006).

Significant changes in the state of affairs

In the opinion of the Directors, though the implications of COVID-19 led to services needing to pivot there was no significant change in the state of affairs for the period under review.

Events subsequent to reporting date

On 1 July 2020, People Who Care achieved an additional contract to deliver Commonwealth Home Support Program in the South East region of the Perth metro area. This contract to deliver services is valued at \$788,491 per annum.

People Who Care Inc. Directors' report

Environmental regulation

The Association's operations are subject to the laws of Australia, which impose environmental compliance and reporting obligations. The Directors are not aware of any significant breaches during the period covered by this report.

Indemnification

We were indemnified for the full 2019/20 year.

On behalf of the Board of Directors



Name: ANDREW DUCE

Position: CHAIR PERSON

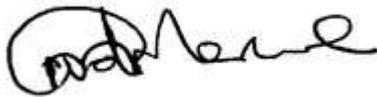
Dated at Perth this 29th day of October 2020

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015 (WA), in relation to our audit of the financial report of People Who Care Inc. for the year ended 30 June 2020, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) No contraventions of the auditor independence requirements of section 80 the Associations Incorporation Act 2015 (WA) in relation to the audit; and
- c) No contraventions of any applicable code of professional conduct in relation to the audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth
Date: 29 October 2020

People Who Care Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Grants received		7,460,428	7,701,456
Fundraising and donations		309,592	134,966
Fees income		2,584,289	1,286,196
Sales income		210,335	266,560
Interest income		10,951	1,725
Rental income		82,721	184,494
Other income		196,668	141,700
Gain on sale of asset		4,544	-
		<u>10,859,528</u>	<u>9,717,097</u>
Expenses			
Employment costs		7,268,519	6,904,106
Loss on disposal of asset		93,063	741,850
Loss on revaluation of property		-	743,004
Depreciation		284,234	379,533
Motor vehicle expenses		504,253	699,961
General expenses		1,744,171	2,635,803
Utilities		68,392	100,846
Lease amortisation	10	368,036	-
Lease interest expense	10	96,074	-
		<u>10,426,742</u>	<u>12,205,103</u>
Total surplus/(deficit) for the year		<u>432,785</u>	<u>(2,488,006)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>432,785</u>	<u>(2,488,006)</u>

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to these financial statements.

People Who Care Inc.
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents	9(a)	1,384,919	534,995
Trade and other receivables	3	313,239	300,452
Right of Use assets	10	272,456	-
Total current assets		<u>1,970,614</u>	<u>835,447</u>
Non-current Assets			
Property, plant and equipment	4	3,924,427	4,135,223
Intangibles	5	70,051	188,318
Right of Use assets	10	147,437	-
Total non-current assets		<u>4,141,915</u>	<u>4,323,541</u>
Total assets		<u>6,112,529</u>	<u>5,158,988</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	1,053,161	955,633
Provisions	7	412,586	336,097
Loans	8	108,600	134,000
Lease Liabilities	10	285,682	-
Total current liabilities		<u>1,860,029</u>	<u>1,425,730</u>
Non-current Liabilities			
Loans	8	723,150	808,500
Lease Liabilities	10	169,484	-
Total non-current liabilities		<u>892,634</u>	<u>808,500</u>
Total liabilities		<u>2,752,663</u>	<u>2,234,230</u>
Net assets		<u>3,359,866</u>	<u>2,924,758</u>
Equity			
Retained earnings		<u>3,359,866</u>	<u>2,924,758</u>
Total equity		<u>3,359,866</u>	<u>2,924,758</u>

The statement of financial position should be read in conjunction with the accompanying notes to these financial statements

People Who Care Inc.
Statement of changes in equity
For the year ended 30 June 2020

	Retained Earnings	Asset Replacement Reserve	Asset Revaluation Reserve	Gift Reserve	Building Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	4,300,472	770,620	554,661	248,387	93,285	5,967,425
Deficit for the year	(2,488,006)	-	-	-	-	(2,488,006)
Transfer to retained earnings	1,112,292	(770,620)	(554,661)	(248,387)	(93,285)	(554,661)
Balance at 30 June 2019	2,924,758	-	-	-	-	2,924,758
Surplus for the year	432,785	-	-	-	-	432,785
Prior Year Adjustment	2,323	-	-	-	-	2,323
Balance at 30 June 2020	3,359,866	-	-	-	-	3,359,866

The statement of changes in equity should be read in conjunction with the accompanying notes to these financial statements

People Who Care Inc.
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		1,494,761	631,137
Receipts from grants		8,889,505	8,366,856
Receipts from donations and fundraising		329,592	134,966
Receipts from other sources		117,390	592,754
Payments to suppliers		(2,139,531)	(2,999,731)
Payment to employees		(7,267,798)	(6,804,998)
Interest received		10,952	1,725
Net cash from/(used in) operating activities	9(b)	1,434,871	(77,291)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		4,500	718,342
Purchase of property, plant and equipment		(9,992)	(356,709)
Purchase of intangible asset		(39,780)	(178,708)
Net cash from/ (used in) investing activities		(45,272)	182,925
Cash flows from financing activities			
Net movement in loans payable		(110,750)	(364,964)
Principal repayments of lease liabilities		(428,925)	-
Net cash from financing activities		(540,598)	(364,964)
Net increase (decrease) for the year		849,924	(259,330)
Cash and cash equivalents at the beginning of the financial		534,995	794,325
Cash and cash equivalents at the end of the financial year	9(a)	1,384,919	534,995

The statement of cash flows should be read in conjunction with the accompanying notes to these financial statements.

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Significant accounting policies

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

Initial Application of Australian Accounting Standards

During the current year, the Association adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

AASB 15: Revenue from Contracts with Customers

The Association adopted AASB 15 Revenue from Contracts with Customers (used December 2014) on 1 July 2019 resulting in changes in accounting policies. The change in accounting policy had no impact on existing balances at the date of initial application (1 July 2019).

AASB 1058: Income For Not-For-Profit Entities

The Association adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Association adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. The change in accounting policy had no impact on existing balances at the date of initial application (1 July 2019)

AASB 16: Leases

The Association adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Association has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Entity will not restate comparatives for prior reporting periods.

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB').

These general purpose financial statements that have been prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (WA) 2015, Australian Charities and Not-for-Profits Commission Act 2012 and Australian Charities and Not-for-profits Commission Regulation 2013.

These financial statements are presented in Australian dollars.

Historical cost convention

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs unless stated otherwise in the notes and does not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Revenue recognition

For comparative year

Revenue is recognised when it is probable that the economic benefit will flow to the Association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Fees

Fees charged for services provided are recognised when the service is provided.

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Revenue recognition (continued)

Sale of goods

Revenue from sales of goods comprises revenue earned for the sales of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer.

Revenue from Contracts with Customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Revenue recognition (continued)

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the assets at the time of disposal and the net proceeds of disposal.

Donations

Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. All revenue is stated net of the amount of goods and services tax (GST).

Income tax

As the Association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Deductible gift recipient

The organisation holds deductible gift recipient status.

Fringe benefits tax

People Who Care Inc. is a Public Benevolent Institution, as such it is also exempt from Fringe Benefits Tax on fringe benefits paid to employees up to a maximum of \$30,000 grossed up in a fringe benefits tax year which has not been exceeded.

Cash and cash equivalents

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

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Trade and other receivables

Trade receivables comprise of amounts due from the provision of services and grants and are recognised and carried at original invoice amount.

Property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Machinery	10 – 15 years
Motor vehicles	3 – 5 years
Furniture, fittings and equipment	3 – 8 years

The residual values, useful lives and depreciation methods are reviewed and adjusted where appropriate at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognitions of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewing annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risk and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Liabilities

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The Association does not have any financial assets categorised as FVOCI and FVTPL.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Financial Instruments (continued)

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses-the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that effect collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1") and
- Financial instrument that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Association makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience to calculate the expected credit losses.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Association's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Association's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Long service leave

The liability for long service leave is recognised in current liabilities. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Leases

For comparative year

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

For current year

At inception of a contract, the Association assesses whether a lease exists- i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

This involves an assessment of whether:

- The contract involves the use of an identified asset, this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose of the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Associations' assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

People Who Care Inc.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2. Critical accounting judgements, estimates and assumptions

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

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

New, revised or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Impact of adoption

AASB 16 was adopted using the modified prospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019. The impact on the Income Statement was negative (\$35,219) as a non-cash adjustment.

Accounting Standards issued but not yet effective and not been adopted early by the Association

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant.

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to AASB- Classification of Liabilities as Current or Non-current	1 January 2022	A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.	Any impact may be identified as further analysis of the standard is undertaken.
AASB 1060 General Purpose Financial Statements-Simplified Disclosures for For-Profit and Not-for profit Tier 2 Entities.	1 July 2021	AASB 1060 is the new simplified disclosure standard developed by the AASB based on IFRS for Small and Medium-sized Entities.	Any impact may be identified as further analysis of the standard is undertaken.

Note 3. Trade and other receivables

	2020	2019
	\$	\$
Sundry debtors	251,082	266,798
Deposits paid	62,157	33,654
	<u>313,239</u>	<u>300,452</u>

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 4. Property, plant and equipment

	2020	2019
	\$	\$
Land and Building at valuation plus additions, and improvements 1, 2	3,916,370	3,916,370
Less: Accumulated depreciation	(330,462)	(266,370)
	<u>3,585,908</u>	<u>3,650,000</u>
Motor vehicles - at cost	1,580,559	1,635,449
Less: Accumulated depreciation	(1,368,504)	(1,333,325)
	<u>212,055</u>	<u>302,124</u>
Furniture & equipment - at cost	284,551	359,192
Less: Accumulated depreciation	(201,154)	(236,301)
	<u>83,397</u>	<u>122,891</u>
Computer equipment – at cost	185,510	250,216
Less: Accumulated depreciation	(173,974)	(222,039)
	<u>11,536</u>	<u>28,177</u>
Gardening equipment - at cost	55,710	45,719
Less: Accumulated depreciation	(24,178)	(13,688)
	<u>31,531</u>	<u>32,031</u>
	<u>3,924,427</u>	<u>4,135,223</u>

1 Land and buildings were valued at \$3,650,000 during the 2018-2019 financial year.

2 People Who Care Inc. have an overdraft facility as stated in Note 9 which has been registered against the property.

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Movements in carrying amounts

Movements in the carrying amounts for the property, plant and equipment between the beginning and the end of the current financial year.

	Land, Buildings & Improvements	Vehicles	Furniture & Fittings	Computer equipment	Garden equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	6,292,252	370,415	127,697	27,839	32,223	6,849,976
Additions	247,374	58,462	31,472	10,497	8,634	356,709
Disposals	(1,452,549)	(29)	(6,685)	(925)	-	(1,460,188)
Reallocation	(23,432)	-	10,914	12,518	-	-
Revaluation	(1,297,665)	-	-	-	-	(1,297,665)
Depreciation	(115,980)	(126,724)	(40,777)	(21,302)	(8,826)	(313,609)
Carrying amount at 30 June 2019	3,650,000	302,124	122,891	28,177	32,031	4,135,223
Additions	-	-	-	-	9,992	9,992
Disposals	-	(431)	(549)	-	-	(980)
Depreciation	(64,092)	(89,638)	(38,945)	(16,641)	(10,492)	(219,808)
Carrying amount at 30 June 2020	3,585,908	212,055	83,397	11,536	31,531	3,924,427

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 5. Intangible Assets

	Computer Software	Total
	\$	\$
Balance at 1 July 2018	75,538	75,538
Additions	178,708	178,808
Disposals	(4)	(4)
Depreciation	(65,924)	(65,924)
Carrying amount at 30 June 2019	<u>188,318</u>	<u>188,318</u>
Additions	39,780	39,780
Disposals	(93,627)	(93,627)
Depreciation	(64,420)	(64,420)
Carrying amount at 30 June 2020	<u><u>70,051</u></u>	<u><u>70,051</u></u>

Note 6. Trade and other payables

	2020	2019
	\$	\$
Trade creditors	129,696	418,131
Accrued expenses	11,090	5,422
Payroll liabilities	451,232	502,165
Grant received in advance	461,143	29,915
	<u>1,053,161</u>	<u>955,633</u>

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 7. Provisions

	2020	2019
	\$	\$
Provision for employee benefits	412,586	335,687
Provision for building maintenance	-	410
	<u>412,586</u>	<u>336,097</u>

Note 8. Loans

	2020	2019
	\$	\$
Current		
Loan – 98 Mandurah Terrace	108,600	134,000
Non-current		
Loan – 98 Mandurah Terrace	723,150	808,500

The loan facility is secured by a property and has a term of 3 years, the review date being 31 January 2021. Repayments are \$9,050 per month plus interest of 1.63% per annum and fees.

Note 9. Cash flow information

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash includes cash and cash equivalents, net of any outstanding bank overdraft. Cash at the end of the reporting year is reconciled to the related items in the statement of financial position as follows:

	2020	2019
	\$	\$
Cash on hand	100	1,300
Cash at bank	1,347,115	495,991
Term deposits	37,704	37,704
	<u>1,384,919</u>	<u>534,995</u>

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

(b) Reconciliation of cash flow from operations with net surplus/(deficit) for the year

	2020	2019
	\$	\$
Net surplus/(deficit) for the year	432,785	(2,488,006)
Non-cash flows in net surplus / (deficit):		
Depreciation of property, plant and equipment	284,234	379,533
Lease Amortisation	368,036	-
Loss on sale of assets	93,062	741,850
Loss on revaluation of property	-	743,004
Lease liability interest	96,074	-
Change in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	(12,788)	10,341
Increase / (decrease) in trade and other payables	96,479	436,879
(Decrease) / increase in provisions	76,898	99,108
Cash flows used in/(from) operations	1,434,871	(77,291)

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 10. Leases

Operating leases that are greater than one year commitment are recognised using discounted cash flow method

	Property	Vehicles	Total
	\$	\$	\$
Balance at 1 July 2019	319,011	339,401	658,412
Additions	40,908	88,607	129,517
Depreciation charge for the year	(182,314)	(185,722)	(368,036)
Balance as at 30 June 2020	177,605	242,286	419,893
Lease liabilities included in the statement of financial position	197,770	257,396	455,166
Amounts recognised in Income Statement			
Interest on Lease liabilities	57,261	38,813	96,074
Expenses relating to low value assets	180,785	86,392	267,177
Total cash outflow for leases	219,410	209,515	428,925

Note 11. Key management personnel disclosures

Compensation

The aggregate compensation made to officers and other members of key management personnel of the Association is set out below:

	2020	2019
	\$	\$
Key management personnel	379,474	492,803
	379,474	492,803

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 12. Remuneration of auditor and accountant

During the year, the following fees were paid or payable for services provided by the auditor and accountant:

	2020	2019
	\$	\$
Audit fees	12,000	8,049
	<u>12,000</u>	<u>8,049</u>

Note 13. Contingent liabilities and contingent assets

The Association has no contingent assets or liabilities at year end.

Note 14. Capital and leasing commitments

The Association does not have any capital commitments

Operating lease commitments

The Association has entered into commercial leases of land and buildings. The maximum duration is 4 years. Future minimum rentals payable under non-cancellable operating leases as at reporting date are:

	2020	2019
	\$	\$
No later than 12 months	2,073	276,757
Between 12 months and 5 years	-	478,843
	<u>2,073</u>	<u>755,600</u>

People Who Care Inc.
Notes to the Financial Statements
For the year ended 30 June 2020

Note 15. Events after the reporting period

On 1 July 2020, People Who Care achieved an additional contract to deliver Commonwealth Home Support Program in the South East region of the Perth metro area. This contract to deliver services is valued at \$788,491 per annum.

Note 16. Capital risk management

The Association's objective is to manage working capital so as to ensure that liabilities can be settled as and when they fall due.

People Who Care Inc. Directors' Declaration

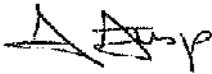
In the Directors' opinion:

The attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements;

The attached financial statements and notes thereto present fairly the Association's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors:



Name: ANDREW AUSP

Position: Director



Name: Penny Webb.

Position: Chief Executive Officer

Dated at Perth this 29th Day of October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEOPLE WHO CARE INC.

Opinion

We have audited the financial report of People Who Care Inc. ("the Association"), which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion, the accompanying financial report of People Who Care Inc. is prepared, in all material respects, in accordance with the Associations Incorporation Act 2015 (WA) and the Australian Charities and Not-for-profits Commission Act 2012, including:

- i) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We have 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 Association in accordance with the auditor independence requirements of the Associations Incorporation Act 2015 (WA), the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements 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.

Information Other than the Financial Report and Auditor's Report Thereon

The Board of Management are responsible for the other information. The other information comprises the information on the Association's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Board of Management's Responsibilities for the Financial Report

The Board of Management of the Association is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act 2015 (WA), the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the members.

The Board of Management's responsibility also includes such internal control as the Board of Management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess 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 and 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board 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 Association'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 Association 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 the Board of Management 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.

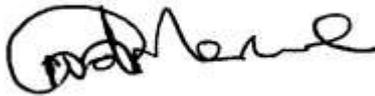
We also provide the management Board of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In our opinion, People Who Care Inc. has complied with sections 60-30(3)(b), (c) and (d) of the Australian Charities and Not-for-profits Commission Act 2012 and sections 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA) :

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- by keeping financial records sufficient to enable a financial report to be prepared and audited;
- by keeping other records required by Part 3-2 of the Australian Charities and Not-for-profits Commission Act 2012, including those records required by Section 55-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity; and
- by keeping other records required by Part 5 of the Associations Incorporation Act 2015 (WA), including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth
Date: 29 October 2020





People Who Care®

Office Hub:
48 James Street,
Guildford, Western Australia
(08) 9379 1944
enquiries@peoplewhocare.org.au

peoplewhocare.org.au

