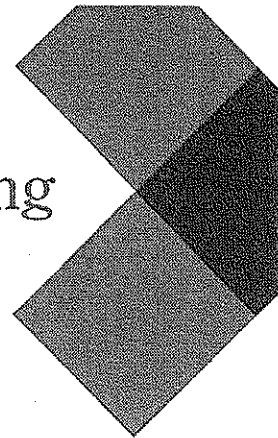


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ACN 84 107 596 994

PAG Accounting



**Date: 06/09/2011**

**The Board of Directors  
Foster Care Association of Victoria Inc.  
48 High St  
Northcote 3070**

*Dear Sir*

**Audit finalization report: Foster Care Association of Victoria Inc.**

We have now completed our audit of Foster Care Association of Victoria Inc. for the year ended 30 June 2011 and will issue an unqualified audit opinion.

**Matters for the Committee of Management's attention**

As auditors, we report to you any findings from our audit, including any contraventions of regulations identified, together with any potential weaknesses in administrative procedures or systems of the association. Whilst our audit tests did not cover, nor would they detect, every possible contravention or instances of non compliance, nonetheless, in the course of the audit we have not encountered any matters that we believe should be brought to your attention.

This does not mean that there are no such further matters of which you should be aware, in meeting your responsibilities as a Board of Directors, nor does this report absolve you from taking appropriate action to meet these responsibilities. We are also obliged to advise you of any significant misstatements identified during the audit and which were corrected prior to the financial report being finalised. We advise that there were no significant misstatements identified.

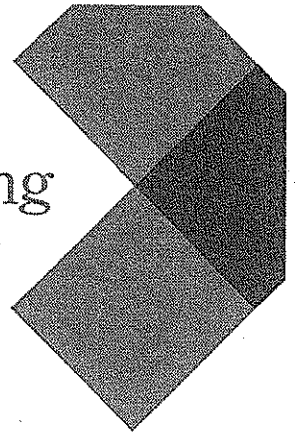
**Committee of Management actions required**

No actions are required by the Board of Directors and therefore our signed audit report is provided herewith.

This report is provided solely for the information and use of the Board of Directors and should not be used for any other purpose.

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## INDEPENDENT AUDIT REPORT

### TO THE BOARD OF DIRECTORS FOSTER CARE ASSOCIATION OF VICTORIA INC.

#### Scope

I have audited the financial statements of Foster Care Association of Victoria Inc. for the year ended 30 June 2011.

The Treasurer of the governing body is responsible for the preparation and presentation of the financial statements and information contained therein. I have conducted an independent audit of the financial statements in order to express an opinion on them to the Board of Directors.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement.

My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report presents a true and fair view in accordance with Australian Accounting Standards and other mandatory professional reporting requirements which is consistent with my understanding of Foster Care Association of Victoria Inc's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### Audit opinion

In my opinion, the financial statements present a true and fair view of the financial position of Foster Care Association of Victoria Inc. as at 30 June 2011 and the results of its operations and cash flows for the year, in accordance with the requirements of the *Associations Incorporation Act 1981* and the Australian Accounting Standards and other mandatory professional reporting requirements.

Plan  
Act  
Grow

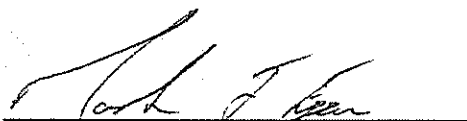
  
Mark Egan CPA  
PAG Accounting



Liability limited by  
a scheme approved  
under Professional  
Standards Legislation.



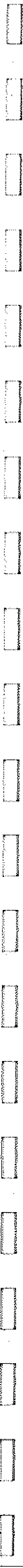
Yours faithfully

A handwritten signature in black ink, appearing to read "Mark Egan", is written over a solid horizontal line.

Mark Egan CPA  
PAG Accounting

**FOSTER CARE ASSOCIATION OF VICTORIA  
INC  
ABN 30 747 010 099**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011**



# FOSTER CARE ASSOCIATION OF VICTORIA INC

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
<b>INCOME</b>			
Interest received		6,727	4,348
Other grants		72,112	32,186
Rents received		1,400	4,381
Sales		-	4,496
DHS grants		270,453	242,305
Conference fees		2,450	-
		353,142	287,716
<b>LESS EXPENDITURE</b>			
Advertising		3,668	4,160
Annual leave accrued		4,012	3,141
Auditors' remuneration		1,000	727
Bad debts written off		1,100	1,073
Bank charges		242	167
Bookkeeping fees		8,047	7,587
Catering and consumables		4,967	5,710
Child care		-	984
Cleaning and rubbish removal		2,530	2,419
Computer supplies		230	313
Conference and seminar costs		16,281	18,593
Consultancy costs		6,321	7,950
Depreciation		6,071	8,305
Donations		-	2,000
Electricity		2,913	2,697
Filing fees		-	41
Guest speakers		27,914	-
Hire - venue		1,314	1,227
Interest paid		66	42
Insurance		-	685
IT support		7,241	-
Legal costs		42	65
Mileage allowance		-	4,354
Photocopying		800	1,083
Postage		5,203	7,019
Presentations		3,876	6,655
Printing and stationery		9,687	9,844
Professional development		1,424	-
Rent		20,710	19,995
Repairs and maintenance		1,203	2,083

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Staff amenities		689	-
Staff training		-	153
Stationary - office		3,482	4,429
Subscriptions		1,825	1,349
Sundry expenses		438	1,125
Superannuation contributions		13,255	11,009
Telephone		7,522	6,498
Travelling expenses		22,361	8,243
Wages		185,716	144,410
Worker's insurance		3,018	3,026
		<u>375,168</u>	<u>299,161</u>
		<u>(22,026)</u>	<u>(11,444)</u>
<b>NET OPERATING PROFIT (LOSS)</b>		<b>(22,026)</b>	<b>(11,444)</b>
Retained profits at the beginning of the financial year		<u>150,890</u>	<u>162,334</u>
<b>TOTAL AVAILABLE FOR APPROPRIATION</b>		<b>128,864</b>	<b>150,890</b>
Adjustment to retained profits		<u>4,562</u>	<u>-</u>
<b>RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR</b>		<b><u>124,302</u></b>	<b><u>150,890</u></b>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue		353,142	287,716
Employee benefits expense		(201,989)	(158,445)
Depreciation and amortisation expenses		(6,071)	(8,305)
Finance costs		(8,113)	(7,629)
Other expenses		<u>(158,995)</u>	<u>(124,782)</u>
<b>Profit (loss) before income tax expense</b>		(22,026)	(11,444)
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit (loss) for the year</b>		<u><b>(22,026)</b></u>	<u><b>(11,444)</b></u>
Profit (loss) attributable to members of the entity		<u><u>(22,026)</u></u>	<u><u>(11,444)</u></u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**BALANCE SHEET  
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash assets		138,867	159,224
Receivables		3,745	12,623
Other		364	889
		<u>142,976</u>	<u>172,736</u>
<b>FIXED ASSETS</b>			
Plant and equipment	2	15,976	22,885
		<u>15,976</u>	<u>22,885</u>
<b>TOTAL ASSETS</b>		<u>158,952</u>	<u>195,621</u>
<b>CURRENT LIABILITIES</b>			
Trade creditors		15,844	22,694
Provisions		12,209	14,483
Current tax liabilities		6,597	7,555
		<u>34,650</u>	<u>44,732</u>
<b>TOTAL LIABILITIES</b>		<u>34,650</u>	<u>44,732</u>
<b>NET ASSETS</b>		<u>124,302</u>	<u>150,889</u>
<b>EQUITY</b>			
Retained Profits		<u>124,302</u>	<u>150,889</u>
<b>TOTAL EQUITY</b>		<u>124,302</u>	<u>150,889</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

Depreciation Worksheet

Depreciation - Deducted

Date acquired	Description of each unit	Cost of depreciating asset less adjustments	Opening written down value	Opening adjustable value	Date	Termination value	Disposals		Rate %	Decline in value			Deductible amount	Closing written down value	Closing adjustable value
							Balancing adjustments	Assessable Income		Prime cost	Diminishing value	Non business use %			
01/07/2009	Furniture	6548	2146	2146				20.00%	429			429	1717	1717	
01/07/2009	Office Furniture	2274	931	931				20.00%	186			186	745	745	
01/07/2009	Furniture/Equipment	3702	2364	2364				20.00%	473			473	1891	1891	
01/07/2009	Office Computer	13229	2223	2223				30.00%	667			667	1556	1556	
01/07/2009	Hardware	2018	339	339				30.00%	102			102	237	237	
01/07/2009	Equipment	2082	1016	1016				30.00%	305			305	711	711	
01/07/2009	Computers	772	377	377				30.00%	113			113	264	264	
01/07/2009	Combo HP Small Busi	8390	5646	5646				30.00%	1694			1694	3952	3952	
01/07/2009	Computer purchase	3397	1659	1659				30.00%	498			498	1161	1161	
01/07/2009	IT Support	4254	2966	2966				30.00%	890			890	2076	2076	
01/07/2009	IT Support	1780	1244	1244				30.00%	373			373	871	871	
01/07/2009	New Computer	1165	1136	1136				30.00%	341			341	795	795	
01/07/2009	Office Furniture	286	0	0				100.00%					0	0	
<b>Totals</b>		<b>49897</b>	<b>22047</b>	<b>22047</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>6071</b>	<b>0</b>	<b>6071</b>	<b>6071</b>	<b>15976</b>	<b>15976</b>	

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>Cash Flow From Operating Activities</b>			
Receipts from customers		346,415.00	270,745.00
Payments to suppliers and employees		(365,386.00)	(271,655.00)
Interest received		6,727.00	4,348.00
Interest and other costs of finance		(8,113.00)	(42.00)
Net cash provided by (used in) operating activities		<u>(20,357.00)</u>	<u>3,396.00</u>
<b>Cash Flow From Investing Activities</b>			
Payments for property, plant and equipment		-	(1,451.00)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(1,451.00)</u>
Net increase (decrease) in cash held		(20,357)	1,944
Cash and cash equivalents at beginning of financial year		<u>159,224</u>	<u>157,280</u>
Cash and cash equivalents at end of financial year		<u><u>138,867</u></u>	<u><u>159,224</u></u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

# FOSTER CARE ASSOCIATION OF VICTORIA INC

## BOARD OF DIRECTORS REPORT

The Board of Directors submit the financial accounts of Foster Care Association Of Victoria Inc for the financial year ended 30 June 2011.

### Board of Directors

The names of Board of Directors at the date of this report are:

KIM REA  
GRAHAM COOPER  
DESLEY HARRIS  
REBECCA GLEGHORN  
KAREN DOBBY  
KAREN MCINTOSH  
JOAN GRAHAM  
TRACEY COCKS  
ANDREW KAULER  
SOPHIE MCNAMARA  
VIRGINIA MATTHEWS  
CATHERINE YOUNG

### Principal Activities

The principal activities of the association during the financial year were: hosting the State Foster Care Conference, participation in DHS policy consultations and Stakeholders Liason and Working groups, production and distribution of newsletter, responding to calls to Foster Care helpline and liasing with local and regional support groups in relation to training and other Foster Care issues.

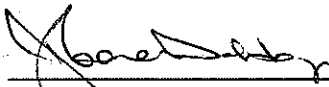
### Significant Changes

No significant change in the nature of activities occurred during the year.

### Operating Result

The loss after providing for income tax amounted to \$22,026.

Signed in accordance with a resolution of the Board of Directors:

  
\_\_\_\_\_  
Karen Dobby  
Director

  
\_\_\_\_\_  
Karen McIntosh  
Director

2 September 2011

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 1981 Victoria. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

**(a) Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balance during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

These notes should be read in conjunction with the attached compilation report.

## FOSTER CARE ASSOCIATION OF VICTORIA INC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates enacted or substantively enacted as at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### **(b) Property, Plant and Equipment**

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

##### **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 the committee to ensure it is not in excess of 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 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

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**FOSTER CARE ASSOCIATION OF VICTORIA INC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charges against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its 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 or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

These notes should be read in conjunction with the attached compilation report.

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**(c) 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 Tax 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 statement of financial position are shown inclusive of GST.

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

These notes should be read in conjunction with the attached compilation report.

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>2 Plant and equipment:</b>		
Plant and equipment	49,897	49,897
Less accumulated depreciation	<u>33,921</u>	<u>27,012</u>
<b>Total plant and equipment:</b>	<u><u>15,976</u></u>	<u><u>22,885</u></u>

These notes should be read in conjunction with the attached compilation report.

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**FOSTER CARE ASSOCIATION OF VICTORIA INC**

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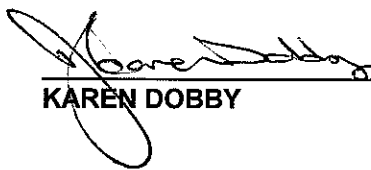
**STATEMENT BY MEMBERS OF THE BOARD OF DIRECTORS**

In the opinion of the Board of Directors the Financial Reports, Statement of Cash Flows and Notes to the Financial Reports:

1. Presents a true and fair view of the financial position of Foster Care Association Of Victoria Inc as at 30 June 2011 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that Foster Care Association Of Victoria Inc will be able to pay its debts as and when they fall due.

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

**President**

  
KAREN DOBBY

**Treasurer**

  
KAREN McINTOSH

**2 September 2011**

**FOSTER CARE ASSOCIATION OF VICTORIA INC**

**COMPILATION REPORT**

**TO FOSTER CARE ASSOCIATION OF VICTORIA INC**

We have compiled the accompanying special purpose financial statements of Foster Care Association Of Victoria Inc, as set out on pages 2 to 5. The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the Board of Directors.

*The Responsibility of the Board of Directors*

The Board of Directors is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting adopted is appropriate to meet the needs of the Board of Directors for the purpose of complying with the association's constitution.

*Our Responsibility*

On the basis of information provided by the Board of Directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Board of Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Board of Directors of Foster Care Association Of Victoria Inc. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

**Plan Act Grow Pty Ltd  
Certified Practising Accountants  
Suite 4, 116 Pascoe Vale Road  
Moonee Ponds, VIC, 3039**

  
\_\_\_\_\_  
**Mark J Egan**

**Moonee Ponds**

**2 September 2011**