



# Annual Report 2012



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## Northside Community Service

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# Chair's Message

The 2012 Annual Report of Northside Community Service (Northside) documents the significant achievements of a not for profit company dedicated to the delivery of services to a community mostly located in the northern regions of Canberra.

The Board of Northside determines the strategic directions and priorities of the company, and sets expectations of the culture of Northside in service delivery, encouraging innovation and the pursuit of quality.

The financial performance and future of Northside Community Service Ltd remains sound with a small surplus generated for the year ended 30 June 2012. Investment in new technology and software for accounting and management performance during 2012 is expected to result in continuing improvements to financial management practices in future years.

The Board of Northside remains committed to the pursuit of high standards of corporate governance. The 2012 Annual Report is the first full year in which the corporation has operated as a limited liability not for profit entity under National Corporations Law.

The report includes a Directors' Declaration in the Financial Statements providing assurance



of compliance with the requirements of the Corporations Act, the Accounting Standards and Corporations Regulations. The Board commenced planning for a review of governance to be undertaken late in the 2012 calendar year, to identify measures to consolidate its performance. Work is also underway on a new Risk Management Policy framework for the company, which is expected to be finalised late in 2012.

On behalf of the Board I would express our appreciation for the support that the Chief Executive Officer, Simon Rosenberg, and his Executive Management team has provided to the Board and for the skills they have demonstrated in the ongoing management of Northside.

I would like to thank the Directors of the company for the voluntary contribution they make to the oversight of the delivery of an important range of community services. In particular I would acknowledge the work of Paul Taylor, a Director for the last six years who is resigning at the 2012 Annual General Meeting.

Finally, the Annual Report on the operations of Northside also provides an opportunity to thank the dedicated staff and volunteers, the funders and supporters of the company. And to the customers and clients of Northside, we record our continuing commitment to provide high standards of service.

**Ken Horsham**  
Chair



# CEO's Message

Quality and innovation were two key themes of Northside Community Service's achievements in 2011/12.

Our Children's Services and Community Services made considerable strides towards formal recognition for our effective service delivery. Aged and Disability Services were recognised for excellence by achieving the maximum rating against the new Common Community Care Standards. The four Early Childhood Education and Care Centres moved rapidly to implement the new National Quality Framework, with a strong focus on staff professional development.

In addition, applications for registration as a Community Housing Provider, and under the ACT Government Prequalification process, will put us in a strong position for future growth to better serve our community.

In the first full year of operation, Harrison Early Childhood Centre delivered high quality education and care, while maintaining close to maximum user occupancy. As Northside's first venture into a self-funded service, this bodes well for the future.

To ensure that service development and delivery are based on sound evidence, Northside invested in research which included advice from Community Child Care Cooperative (NSW) on future investment in Children's Services and the review of the squalor and hoarding pilot project by the Institute of Child Protection Studies.

The ACT Government's 2012 Budget include two items of direct relevance to Northside:

- pilot funding for the innovative 'CHANCES' program to provide training and holistic support to young and mainly Aboriginal parents needing to re-engage with the workforce, and
- funding for a feasibility study to develop new premises for the ageing Civic Early Childhood Centre.

In addition, the Corrections Throughcare initiative will assist some Northside clients by ensuring a more coordinated approach to services and supports for people exiting the ACT prison.



The expanded Majura Men's Shed was also supported by ACT Government funding and has provided an improved environment for this very successful community development initiative.

Some of the most successful projects resulted from serendipity. Gungaharra Community Arts Program grew out of an idea hatched by community development staff and emerging local artists. The result was a great opportunity for to display their work at the historic Gungaharra Homestead.

There was some disappointment in not achieving the outcomes we had hoped for through the tender for new Youth and Family Support programs. However, recognising Northside's capacity in this area, we focused on developing initiatives that would assist disadvantaged people in the longer term. For instance, through the Vulnerable Families Project Northside and other community agencies partnered with ACT Government to develop a highly innovative approach to 'co-design' of services, where service

users help to shape the way programs are developed and delivered. In addition, Northside took a leadership role in several service development areas, such as community transport, squalor and hoarding, and community sector reform.

Internally, 2011-12 was a period of consolidation and development. Following the first independent staff survey in May 2011, changes were implemented in consultation with staff which included a focus on professional development, internal communication and corporate reforms.

There has been significant investment in ICT and other corporate resources so that staff members now have better tools to help them do their jobs efficiently. This has included the introduction of MYOB EXO and the Carelink Plus system. Various staff forums and a regular staff newsletter have assisted in driving the collaborative approach internally that we seek to mirror in our dealings with other agencies.

These initiatives have contributed to improved staff retention, and higher morale and productivity. We look forward to testing this further at our next staff survey in October 2012.

The success of this year has been driven by our dedicated and professional staff and an energetic Board of Directors. My special thanks to Executive Directors Peter Bayliss, Tracey Hall, Wendy Prowse and Josh Vaughan who have been a great leadership team. In a period of community sector reform and an increasing focus on governance, I have also been lucky to be able to work with such a highly skilled and supportive Board.

Finally, a big thank you to the local community and service users who have been generous in their feedback and keep us pointed in the right direction.

**Simon Rosenberg**  
CEO

# Children's Services

NCS has built its expertise in Education & Care (EC) operations over a number of years. NCS's approach to EC provision involves full engagement with children, parents, educators and external stakeholders.

Within our Children's Services arm, NCS operates four EC centres providing long-day care (LDC), permanent part-time, casual and emergency care:

- Civic EC (70 places)
- Harrison EC – LDC only (108 places)
- Majura EC (45 places)
- Treehouse in the Park EC – LDC only (42 places)

The Early Years Learning Frameworks (EYLF) description of childhood as a time of belonging, being and becoming encapsulates our child-centred approach. Our educators focus on each child's developmental stages and learning styles. This includes assisting them to develop a healthy self-concept and positive self-esteem; for example, learning self-help skills such as toileting and serving meals at meal times, enhancing social interactions and developing resilience skills. We develop open-ended programs that encourage each child to explore,



## CASE STUDY

A young single mother, pregnant with her second child was referred to Civic EC through ACT Care and Protection, and care was immediately provided for the toddler. Originally, care was funded through Care and Protection for 100 hours as the Mother was unable to work during this period and was required to attend court on a regular basis. Whilst the mother was in hospital after the birth of her second child, Civic EC management liaised with Barnardo's as the toddler required extended hours of care. Funding was then extended through accessing Child at Risk Benefits to assist the mother while she was caring for the newborn. The toddler responded exceptionally well to care at Civic EC and has thrived, while the mother has been able to stabilise her life and consider training for employment.

investigate, experiment, think and communicate in a challenging and stimulating environment. Different environments within NCS centres are set up to encourage children's learning and development. The recent installation of Interactive Whiteboards in our Civic, Majura and Harrison preschool rooms has proved to be a valuable resource as our children and educators are taking a more 'hands-on' approach with Information Communication Technologies.

## Professional Development

Our management approach reflects the importance of recruiting, developing and retaining quality staff and implementing innovative and effective strategies to achieve that goal. EC uses a values-based recruitment process for all staff. Staff within the Centres have all completed, or are completing, formal qualifications including Certificate III in Children's Services, Diploma in Children's Services,



Diploma of Management, Advanced Diploma in Children's Services and Bachelor of Teaching (0-5 years). NCS's learning and development strategy enhances our capacity to develop early childhood learning programs, including school readiness. Our management approach and focus on life-long learning leads to our high retention rate.

### Partnerships with Families

NCS EC centres maintain an open atmosphere where relationships with families are developed so that we cater for the children's experiences, ideas, interests, physical abilities, cultural background and religion. For example, our centres celebrate various national holidays and religious festivals with children and families. We have active Parent Support Groups present in all centres and welcome community feedback at all times. NCS centres maintain a family friendly environment and open door policy to enable families to visit at any time of the day without restriction. Siblings are encouraged to engage with each other throughout the day. Parents are encouraged to participate in learning opportunities with their children and many mothers breast feed their babies in the centres.

### Inclusive Approach

NCS EC promotes social justice and acceptance of each child and their family. For example, families from different cultural backgrounds actively share their life experiences and help foster children's understanding through programming, special events and informal contact. Our centres cater for families and children with additional needs, such as autism spectrum disorder, children 'at risk' and families going through particular hardship. A particularly valuable program in this area is our 'Lock in the Learning' program.

### National Quality Framework

The National Quality Framework commenced in January 2012 and has put in place compulsory national standards to ensure high quality and

consistent early childhood education and care across Australia. The NQF provides clear and comprehensive standards around children's education, health and safety. The Standards cover:

1. Educational program and practice
2. Children's health and safety
3. Physical environment
4. Staffing arrangements (including the number of staff looking after children)
5. Relationships with children
6. Collaborative partnerships with families and communities
7. Leadership and service management

NCS's EC centres prepared for assessment against the National Quality Standards during 2011/12 and we are confident that our facilitation of education and care is meeting the stipulated requirements.



### 2011/12 Highlights

Over 2011/12 all four centres experienced high occupancy rates. We were very pleased with the performance of our newest (and largest) Harrison EC where on a number of occasions we reached a 100% occupancy level.

The Minister for Community Services Joy Burch announced a feasibility study for the upgrade and possible relocation for our Civic EC centre in the 2012 ACT Budget. This is an exciting development and we look forward to contributing to the design, layout and operational aspects of the 'new and improved' centre.

NCS employed the services of Community Child Care Co-operative to undertake a feasibility study ascertaining the demand and supply of Early

Childhood Education & Care in our region. The study provided the evidence that there is suitable demand for a new centre, so NCS is continuing to explore business development opportunities.

A huge thank you must go out to all NCS EC staff for their passion and commitment. Each day they interact with the fastest developing minds in the world and strive to create a caring environment that is rewarding, enriching and supporting of all possible learning and growing opportunities. They truly are children's educators who inspire!

**Josh Vaughan**

Executive Director, Children's Services

# Community Services

Congratulations and thank you to our amazing Community Services team for another great year of innovation, collaboration, and dedication. Day in, day out, our committed staff have worked to improve the lives of our most vulnerable community members, often for little thanks, but always with a smile.

## Aged and Disability Services

Our Aged and Disability services kicked off the year with a great result in the external audit against the National Community Care Common Standards. Our services were assessed as meeting all 18 of the standards and we have since been invited to various forums in the ACT to share our experiences and models of service delivery with others. The Quality Reviewers reported that NCS's strengths included the "commitment of management to the implementation of a person centred approach to service delivery using the Active Service Model" and demonstrated "a positive and strong commitment to changes being made" by staff at all levels.

The team then implemented a new database for managing client and service delivery information, Carelink+. The software will enable better service planning and sharing of client information within the organisation, leading to improved person centred services and outcomes and will

enable multiple operational efficiencies for the organisation. The next ambitious step in this journey will be the roll out of hand held devices for all Home Care staff in the field, enabling real time access to client information and a move to a paperless system of managing client information.

With all of this in action, the team still managed to deliver high quality, responsive services to frail elderly people and younger people with disabilities (and their carers) who are growing in number and whose needs are changing and increasing over time. Over 2011-12, the Intake and Assessment Officer performed a total of 382 assessments; 73 of these were re-assessments that resulted from either general client reviews or changes in client needs identified by staff. Transport and Domestic Assistance continued to generate the largest percentage of referrals at 35% and 36% respectively, which may be an indication of the increase in mobility issues facing clients who live in the Inner North. Referrals



for Personal Care have halved since the 2010/11 reporting period.

All Home and Community Care (HACC) funded services met or exceeded targets, with three exceeding targets by 10% and our Social groups exceeding target by 50%; a clear indication of the growing demand for people seeking social interaction and improved community connectedness. Demand for our Assistance with Care and Housing for the Aged program (ACHA) also continued to grow, supporting 82 people with sourcing accommodation or sustaining their tenancy.

Our Community Minibus service continued to meet the needs of transport disadvantaged people and was used widely across a variety of areas including transport for Aboriginal families to participate in

the CHANCES program, regular outings for older people living in nearby residential facilities, an Aboriginal and Torres Strait Islander play group and use by numerous NGO's in delivering support and services to the community.

Finally, as the Home Care & Transport team and the Aged & Disability team are largely funded under the same HACC contract and provide services to the same groups of people, a decision was made to merge the two teams, thereby enabling;

- improved communication amongst key staff involved in client care, leading to improved quality of service provision;
- a clearer delineation of operational and strategic responsibilities, with Team Leaders taking responsibility for staff support/management and



'day to day' issues and the Senior Manager taking responsibility for broader strategic issues, service development, budget management and reporting;

- improved opportunities for career progression and workforce development; and
- an improved capacity to manage staff leave without impacting on client services.

The new structure consists of a Senior Manager, Aged and Disability Services, and three teams; Home Support and Transport, Intake and Case Management, and Social Support.

## Youth, Family and Housing Services

As always, our Youth, Family and Housing team have risen to the challenge, taking set-backs in their stride, and using challenges to drive them in their innovative, creative, and flexible service models. 2011-12 was a time of considerable change, with a number of programs finishing (Home to Work, Learning Journeys Children's program, and the Youth and Family Support Programs) and a number 'kicking off'. Transitioning clients in and out of programs, and establishing and concluding service agreements requires enormous time and energy,

and I would like to thank and congratulate our team in their efforts.

The Home to Work pilot program, which was run in partnership with Anglicare ACT and Housing ACT, supported 80 long term unemployed people to access training and supports to, where possible, prepare them for the workforce. Almost a quarter of the participants were successful in finding employment and many others were provided with the opportunity to develop their skills and prepare for future employment. The flexible 'wrap around' approach undertaken by the three agencies in partnership has evoked particular interest and informed service delivery models across the ACT.

From late 2010 to late 2011, the Learning Journeys (Children's program), funded by the Education and Training Directorate, provided support to 25 vulnerable Aboriginal and Torres Strait Islander children who had been identified as attending school infrequently or not at all. The Learning Journeys tutors worked creatively with the children and their families to address the barriers preventing them from attending school and effecting the development of their literacy and numeracy skills. The program was extremely successful and demonstrated a direct improvement in school

attendance and engagement in education by the children. The program was transitioned across to the Directorate in late 2011.

In March 2012, the Community Services Directorate launched the new Children, Youth and Family Services program. While this meant the end of Northside's Family Support and Youth Support Programs, Northside launched the Youth Engagement Service for the Inner North/Gungahlin Region in partnership with Anglicare ACT. While still in its infancy, 'Y-engage' has built strong networks with key partners and has provided valuable support to vulnerable young people in the region.

Our Supported Accommodation program for women escaping domestic violence provided support and housing to 51 families and outreach support to another 20 families during the financial year. The small team of dedicated workers also supported 4 individuals and families in Transitional Housing. Each and every one of these women and their families have faced vastly different issues in their lives and each has confronted and addressed different barriers. The program has built on the women's shared experience of domestic violence, supporting each woman and her family to address these barriers and plan a strengthened way forward.

The Learning Journeys program, which works with Aboriginal and Torres Strait Islander parents and their families, assisting parents to become more involved with their children's education, continued to grow and develop, being driven by the parent group. The program evolved into CHANCES, a partnership with Capital Careers, (a Registered Training Organisation), the Community Services Directorate, the Aboriginal Justice Centre, ACT Policing, and TEMPLAR recruitment. CHANCES (Community Helping Aboriginal Australians to Negotiate Choices Leading to Employment and Success) assisted Aboriginal and Torres Strait Islanders living in the ACT to gain skills and access services to help them make choices leading to a life that includes having a job, being financially



independent and having a stronger sense of being part of the community. The program supported 15 Aboriginal adults to achieve their Certificate II in Business, while supporting 18 accompanying children with Homework Club and Early Learning activities. The program was so successful that the ACT Government committed funding for another two programs and CHANCES was also awarded a 2012 Reconciliation Award by the Community Services Directorate.

After a review of Northside's Organisational Structure in April 2012, a decision was made to transfer the Energy Efficiency Program and the Community Development Program from the People and Services Development stream into Community Services. This will allow improved integration of the two programs into Northside's service offerings and a consolidation of our operational services. The transition commenced in June 2012 and we welcome these services and staff into our team.

We look forward to another great year in 2012-13. We anticipate considerable and ongoing change across the sector, but all the while clients and the community will remain our main focus.

### Tracey Hall

Executive Director, Community Services.





# People and Service Development

During 2011/12 we provided community development activities and programs to vulnerable members of our community and brought people together with a common interest to address social inclusion. The team has developed and delivered a two successful personal development programs and there has been a strong focus on building organisational capacity in relation to human resources; quality and risk; work, health and safety; and marketing.

## Community Development

Community Development activities included a Learn to Swim program for multi-cultural women with young children, the Laugh and Learn Playgroups established in Harrison and the Bega Community Centre in Ainslie, a community garden developed in the grounds of the Gungaharra Homestead in Harrison and a community arts program developed at the Gungaharra Homestead with over 20 members showcasing their artwork throughout the building.

A fortnightly BBQ was established within the grounds of the Bega Flats to engage the residents in the Ainslie Precinct to think about lifestyle choices, build a greater sense of community by getting to know their neighbours and to listen and assist with any key concerns that they may have, such as neighbourhood safety. This was a partnership with ACT Health, Directions ACT, Reclink and the Red Cross.

NCS continues to work collaboratively with the Australian Catholic University Social Work Faculty to provide opportunities for students to work on real life projects and to spend 500 hours at Northside as part of their student placements. This year the projects included Safety and Security in Government Housing Complexes, Intergenerational Activities and Program, Respectful Relationships Program, and Aboriginal and Torres Strait Islanders accessing HACC services. The students provided comprehensive reports and presented their findings to NCS.

## Outreach Energy and Water Efficiency Program

The Outreach Energy and Water Efficiency Program has assisted over 200 people on low incomes to receive education in their home and where applicable, replacement of old appliances. This



program started two years ago as a pilot program and has evolved to provide a holistic approach that assists vulnerable members of the community to replace inefficient appliances and to be well informed in regard to measures they can take to reduce their energy consumption and costs.

## Majura Men's Shed

Interest in the Majura Men's Shed continues to grow each year providing a place for men to come together and work on individual woodwork projects, collaborative projects and to just spend time together over a cup of tea or flipping a sausage on the BBQ. In February 2012 Minister Burch re-opened the Majura Men's Shed following the completion of an extension to the building and a pathway for disabled access to the shed. The shed has also had been given a new look with a fantastic Australian mural painted across the front of the building.

## Positive Choices and Risky Business Programs

The Positive Choices program is a personal development program that promotes self-awareness, emotional intelligence and improved self-esteem, with the philosophy that by gaining a better understanding of our identity, needs and wants and values and beliefs we are then able to gain a better perspective about what is most important in our life. This program was re-designed to be a Workplace Wellness Program, funded by ACT Health, and was delivered to over 40 participants from a number of not for profit and corporate agencies with outstanding reviews.

The Risky Business program was designed using the same philosophy, although with a very different approach to assist at risk youth to re-engage with school or transition into the workforce. This program was delivered within two schools and will be completed in 2013. The students





that participated in the program had very little motivation initially and were unable to identify one thing that they were proud of. Following the completion of the program 98% of students had either a desire to complete their schooling or a positive plan for the future.

### Human Resources and Quality & Risk

There has also been a major focus on strengthening the internal foundations of the organisation in relation to human resources, risk management, business continuity and work, health and safety.

The implementation of a new database system, Carelink +, has seen the human resources function become largely paperless. The work, health and safety module of Carelink + will be rolled out in late 2012.

Following successful negotiations with staff, NCS developed a new Enterprise Bargaining Agreement which came into effect in August 2012.

One of the key initiatives from the May 2011 staff survey has been the staff shadowing program where the Executive Team have been working alongside front line staff in Home Care and Transport, Aged

and Disability and Early Childhood Education and Care. This program has been a beneficial activity for all involved and has created stronger understandings across program areas.

A new performance management system was developed to further enhance our culture of positive communication, consultation and professional development. The Professional Development Workplans are a supportive tool to establish clear expectations of staff, to discuss any challenges that may be occurring early in the employment and to focus on open and honest two way communication.

### Focus for the Next 12 months

- Develop a new and more interactive website
- Roll out a staff intranet
- Implement new orientation and induction programs
- Update brochures and marketing material
- Update work, health and safety systems

### Wendy Prowse

Executive Director, People & Service Development





# Corporate Services

The 2011-12 financial year has been one of review and improvement. The core focus was to create a more stable and efficient delivery of corporate services across Northside. This has been achieved through focussing on the staff, reducing staff turnover to less than twenty per cent annually and implementing a process of strategic change in which organisational priorities drove system, policy and process reform. The commitment to system improvement was highlighted by the Board agreeing to major IT infrastructure projects, to equip NSC with the tools for more efficient and effective delivery to internal and external clients.

## Information Technology and Finance

During the year, two major infrastructure projects were commenced to enhance the Information Technology capabilities of Northside. Carelink+ is primarily to enhance service delivery in the homecare and transport areas however has been expanded to incorporate Human Resources, Risk Management, automated time-sheeting and client invoicing. A major upgrade of our finance system to MYOB Exonet (EXO) will improve security and reporting capabilities, as well as enabling integration with Carelink+ to enable automated timesheets and client invoicing.

The end of year financial result of a \$175k surplus was a clear improvement in the previous year's deficit.

## Facilities

Our facilities at Majura and Corroboree Park continue to be used regularly by both external and internal clients, creating a steady income stream. Our newest community facility, Gungaharra Homestead, has hosted some important functions and is slowly building in recognition. Works on improvements to the Majura Men's Shed was completed during the year thanks to support from the ACT Government.

## Accommodation Services

NCS has increased from ten to fourteen the number of properties it provides for head leasing on behalf of the Office for Children properties. We also maintain nineteen properties as part of the women's supported accommodation program (NWSAP).

**Peter Bayliss**

Executive Director, Corporate Services

# Financials

## NORTHSIDE COMMUNITY SERVICE LIMITED

FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2012

## NORTHSIDE COMMUNITY SERVICE LIMITED

## DIRECTORS' REPORT

Your Directors submit their report for Northside Community Services Limited (the Company) for the year ended 30 June 2012.

**Directors**

The Directors in the office at any time during, or since the end of financial year ending 30 June 2012:

<i>Ken Horsham</i> (Chair)	<i>Vicki Williams</i>	<i>Nerida Hunter</i>
<i>Robert Smyth</i> (Deputy Chair)	<i>David Garratt</i>	<i>Ben Tallboys</i>
<i>Paul Taylor</i>	<i>Leanne Monte</i>	<i>Dr Penny Gregory</i> (formerly Albon)
<i>Jeffrey House</i> (resigned 30/11/2011)	<i>Robert Knapp</i> (appointed 30/11/2011)	

**Meetings of Directors**

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ken Horsham	11	11
Paul Taylor	11	9
Robert Smyth	11	7
Vicki Williams	11	10
David Garratt	11	8
Leanne Monte	11	7
Ben Tallboys	11	9
Penny Gregory	11	8
Nerida Hunter	11	7
Robert Knapp	7	6
Jeff House	5	0

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2012, the total amount that members of the Company are liable to contribute if the Company is wound up is \$18.

**Significant Changes in the State of Affairs**

Northside Community Service Limited (the Company) was incorporated under the *Corporations Act 2001* on 24 December 2010. On this date all assets and liabilities of Northside Community Service Incorporated (the Association) were transferred to the Company and the Association was voluntarily wound up on this date. The comparatives in the financial report are for the period 24 December 2010 to 30 June 2011.

**Results**

The net result of the operations of the Company was a surplus of \$175,173 (2011 loss 60,212)

**Principal Activities**

The principal continuing activity of the Company is to provide a broad range of community services including children's services, youth and family support, aged and disability services, supported accommodation, community development and support. The Company aims to be part of a vibrant and engaged community with a sustainable future.



## NORTHSIDE COMMUNITY SERVICE LIMITED

## DIRECTORS' REPORT

**Review of Operations**

The operations of the Company and the results of those operations for the year ended 30 June 2012 were satisfactory. Significant activities during the year attributing to the result included: the first full year of operations of Harrison Early Childhood Education Centre, major upgrades to ICT including development and implementation of Carelink + and MYOB EXO, and reduction in youth and family funding.

**Matters Subsequent to the End of the Financial Year**

The interest only loan facility was replaced with a principal and interest facility for the commercial loan over Harrison Early Childhood Education Centre. No other matters or circumstance has arisen since 30 June 2012 that has or may have a significant effect on the operations of the Company, the results of its operations or the state of affairs of the Company in financial years subsequent to 30 June 2012.

**Dividends**

The Company is a company limited by guarantee and as such is prohibited from paying dividends.

**Directors' Benefits**

No Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

**Insurance of Officers**

During the financial year, the Company paid a premium to insure officers of the Company.

The officers of the Company covered by the insurance policy include all staff and non-working Directors of the Company and members of Committees established by the Company, both past and present.

The liabilities insured include costs and expenses that may be incurred in successfully defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included as part of this financial report.

Signed in accordance with a resolution of the Board of Directors



Ken Horsham



Vicki Williams

Dated this 25<sup>th</sup> day of October 2012

## NORTHSIDE COMMUNITY SERVICE LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012 \$	2011 \$
Revenue	2	9,480,713	4,618,788
Employee benefits expense		(7,075,317)	(3,419,187)
Occupancy costs		(547,045)	(235,368)
Service delivery costs		(554,540)	(193,347)
Motor vehicles		(157,140)	(90,614)
Contractors and service provision costs		(310,817)	(169,129)
Minor equipment		-	(6,515)
Other operating costs		(444,547)	(434,499)
Depreciation & amortisation cost		(216,124)	(128,319)
<b>Surplus/(Deficit) before income tax</b>	3	175,173	(60,212)
Income tax expense		-	-
<b>Surplus/(Deficit) for the year</b>		175,173	(60,212)
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		175,173	(60,212)

The accompanying notes form part of these financial statements

## NORTHSIDE COMMUNITY SERVICE LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2012

	NOTE	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	520,907	1,094,067
Trade and other receivables	6	353,150	274,987
Other assets	7	39,721	32,131
Investments	8	200,000	200,000
<b>TOTAL CURRENT ASSETS</b>		<b>1,213,778</b>	<b>1,801,185</b>
<b>NON-CURRENT ASSETS</b>			
Investments	8	-	892
Property, plant and equipment	9	3,851,672	3,436,629
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,851,672</b>	<b>3,437,521</b>
<b>TOTAL ASSETS</b>		<b>5,065,450</b>	<b>5,038,706</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other Payables	10	692,488	673,265
Provisions	11	30,687	95,142
Unearned revenue	12	525,911	626,336
Borrowings	13	1,680,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,929,086</b>	<b>1,394,744</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	-	1,680,000
Provisions	11	18,426	21,197
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>18,426</b>	<b>1,701,197</b>
<b>TOTAL LIABILITIES</b>		<b>2,947,512</b>	<b>3,095,941</b>
<b>NET ASSETS</b>		<b>2,117,938</b>	<b>1,942,765</b>
<b>EQUITY</b>			
Reserves	14	-	190,550
Retained Earnings		2,117,938	1,752,215
<b>TOTAL EQUITY</b>		<b>2,117,938</b>	<b>1,942,765</b>

## NORTHSIDE COMMUNITY SERVICE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

The accompanying notes form part of these financial statements

	Retained Earnings \$	General Reserves \$	Total \$
<b>Net Assets transferred from Northside Community Service Incorporated on 24 December 2010 (see note 22)</b>	<b>1,812,427</b>	<b>190,550</b>	<b>2,002,977</b>
Comprehensive income for the year (see note 22)	(60,212)	-	(60,212)
Transfer from retained earnings from/ (to) reserves	-	-	-
<b>Balance as at 30 June 2011</b>	<b>1,752,215</b>	<b>190,550</b>	<b>1,942,765</b>
Comprehensive income for the year	175,173	-	175,173
Transfer/ from) reserves to retained earnings	190,550	(190,550)	-
<b>Balance as at 30 June 2012</b>	<b>2,117,938</b>	<b>-</b>	<b>2,117,938</b>



**NORTHSIDE COMMUNITY SERVICE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2012**

The accompanying notes form part of these financial statements

	NOTE	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grants and other receipts		10,166,021	5,009,482
Interest received		57,444	27,164
Payments to suppliers and employees		(10,087,277)	(5,332,642)
Net cash provided by/(used in) operating activities	<b>18(b)</b>	<u>136,188</u>	<u>(295,996)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of property, plant and equipment		(661,760)	(239,156)
Proceeds from sales of property, plant and equipment		51,800	-
Disposal of investments		661	330,643
Net cash provided by/(used in) investing activities		<u>(609,299)</u>	<u>91,485</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loan		-	45,234
Net cash provided by financing activities		<u>-</u>	<u>45,234</u>
Net (decrease) in cash held		(473,160)	(159,277)
Cash and cash equivalents at beginning of the financial year		1,094,067	1,253,344
Cash and cash equivalents at end of financial period	<b>18(a)</b>	<u>620,907</u>	<u>1,094,067</u>

**NORTHSIDE COMMUNITY SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

The accompanying notes form part of these financial statements

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Northside Community Service Limited is an Australian Company, limited by guarantee. The Company was incorporated on 24 December 2010. On this date all assets and liabilities of Northside Community Services Incorporated (the Association) were transferred to the Company and the Association was voluntarily wound up.

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are 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**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**b. Property, Plant and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying amount of plant and equipment is reviewed annually by the Board 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 their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.



## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

## b. Property, Plant and Equipment (cont)

## Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Leasehold improvements	25% or lease term
Equipment, Furniture & Fittings	25%
IT Software & Equipment	33.3%
Motor Vehicles	25%

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 and 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.

## c. Financial Instruments

## Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

## Derecognising

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

## Classification and Subsequent Measurement

## Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

## Impairment

At each reporting period, the Company assesses whether there is any objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

## c. Financial Instruments (cont)

## i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes for short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from the changes in fair value are included in profit or loss in the period in which they arise.

## ii. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

## iii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

## iv. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

## d. Impairment of Assets

At each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

## e. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave that will be settled after one year are measured at their nominal amount inclusive of on-costs. Long service leave, employee support and parenting leave expected to be payable later than one year has been measured at the present value of the estimated future cash outflows to be made for these benefits.

## f. Cash and Cash Equivalents

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



**NORTHSIDE COMMUNITY SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**g. Revenue and other income**

Amounts disclosed as revenue are net of returns, allowances and taxes paid. Revenue is recognised for the major business activities as follows:

- Revenue from rendering a service is recognised upon delivery of the service to customers. Where income has been received prior to service delivery, it is carried forward as other income in advance (unearned revenue liability).
- Grant revenue is recognised when the expenditure related to the grant is recognised. Grant monies that have been received or are receivable but have not been expended at balance date are carried forward as unexpended grants (unearned revenue liability).
- The Company leases a number of properties, which are then sub-leased. Rent revenue is recognised as income when received by the Company from sub-tenants. Management fees received are included in fees revenue, and rent paid on these properties is included in occupancy costs in the income statement.
- Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.
- All other sources of income are recognised as income when the related goods or services have been provided and the income earned.

**h. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 balance sheet are shown inclusive of GST.

**i. Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed. The comparative(s) are for the period 24 December 2010 to 30 June 2011.

**j. Critical Accounting Estimates and Judgements**

The Directors evaluate the estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**NORTHSIDE COMMUNITY SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**k. New Accounting Standards for Application in Future Periods**

The following Australian Accounting Standards issued or amended which are applicable to the entity but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013	Minimal Impact
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1,3,4,5,7,101, 102,108,112,118,121,127,128, 131,132,136,139,1023 and 1038 and interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2013	Minimal Impact
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1,3,4,5,7,101, 102,108,112,118,120,121,127, 128, 131,132,136,137,139, 1023 & 1038 and interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010.	1 January 2013	Minimal Impact
AASB 10	<i>Consolidated Financial Statements</i>	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013	Minimal Impact
2011-7	<i>Amendments to Australian Accounting Standards arising from AASB 10,11,12,127, 128</i>	Amends AASB 1,2,3,5,7,9, 2009-11,101,107,112,118,121, 124,132,133,136,138,139,1023 & 1038 and interpretations 5, 9, 16 & 17 as a result of the issuance of AASB 10,11,12,127 and 128.	1 January 2013	Minimal Impact
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013	Minimal Impact

## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

## k New Accounting Standards for Application in Future Periods (cont)

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
2011-8	Amendments to Australian Accounting Standards arising from AASB 13	Amends AASB 1,2,3,4,5,7,9, 101,102,108,110,116,117,118, 119,120,121,132,133,134,136, 138,139,140,141,1004,1023 & 1036 and Interpretations 2,4,12, 13,14,17,19,131&132 as a result of issuance of AASB 13 Fair Value Measurement.	1 January 2013	Minimal Impact
AASB 119	Employee Benefits	Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.	1 January 2013	Minimal Impact
2011-10	Amendments to Australian Accounting Standards arising from AASB 119	Amends AASB 1,8,101,124,134,1049,2011-8 & Interpretations 14 as a result of issuance of AASB 119 Employee Benefits.	1 January 2013	Minimal Impact
2011-11	Amendments to Australian Accounting Standards arising from AASB 119	This Standard makes amendments to AASB 119 Employee Benefits, to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1 January 2013	Minimal Impact
AASB 1053	Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	1 January 2013	Minimal Impact
2011-4	Amendments to Australian Accounting Standards to Remove individual Key Management Personnel Disclosure Requirements	This standard makes amendments to Australian Accounting Standard AASB 124 Related Party Disclosures.	1 January 2013	Disclosure only

## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
<b>NOTE 2: REVENUE</b>		
Revenue from Operating activities		
Fees	4,987,020	2,234,190
Salary Reimbursements	123,750	28,732
Grants	3,643,489	1,995,173
Donations & Fundraising	3,885	407
Rent	397,472	191,588
Other	215,502	116,326
	<u>9,372,118</u>	<u>4,566,416</u>
Revenue from Non-Operating Activities		
Interest	57,444	26,864
Gain on sale of assets	20,937	7,874
Other	30,214	15,612
	<u>108,595</u>	<u>50,350</u>
<b>Total Revenue</b>	<u>9,480,713</u>	<u>4,616,766</u>

## NOTE 3: PROFIT FOR THE YEAR

The profit for the year determined after charging the following expenses

Rental expense	318,520	66,370
Bad debt expense	11,207	-
Superannuation expense	520,438	422,840

## NOTE 4: AUDITORS' REMUNERATION

Remuneration of the auditor:

Auditing and reviewing the financial report	18,250	17,500
	<u>18,250</u>	<u>17,500</u>

## NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand and at bank	4,130	3,630
Short-term cash deposits	615,777	1,090,437
	<u>620,907</u>	<u>1,094,067</u>

## NOTE 6: TRADE AND OTHER RECEIVABLES

Trade Receivables	309,748	259,143
GST Receivable	40,715	11,535
Accrued interest	2,687	4,309
	<u>353,150</u>	<u>274,987</u>

## NOTE 7: OTHER ASSETS

Prepayments	39,721	32,131
	<u>39,721</u>	<u>32,131</u>



NORTHSIDE COMMUNITY SERVICE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
<b>NOTE 8: INVESTMENTS</b>		
<b>CURRENT:</b>		
Term deposits	200,000	200,000
<b>NON-CURRENT:</b>		
Listed investments – at market value		
IAG Insurance Group – 254 Shares	-	892
Total Investments	200,000	200,892
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>		
<i>IT Software &amp; Equipment</i>		
At cost	465,006	236,910
Accumulated depreciation	(215,245)	(194,086)
Total IT software & equipment	249,761	42,824
<i>Equipment, furniture &amp; fittings:</i>		
At cost	136,650	126,705
Accumulated depreciation	(95,972)	(75,697)
Total equipment, furniture & fittings	40,678	49,808
<i>Land &amp; buildings</i>		
At cost	3,150,238	3,143,738
Accumulated depreciation	(99,960)	(52,977)
Total land & buildings	3,050,278	3,090,761
<i>Leasehold improvements</i>		
At cost	46,131	46,131
Accumulated depreciation	(44,460)	(43,873)
Total leasehold improvements	1,671	2,258
<i>Motor Vehicles</i>		
At cost	706,170	403,975
Accumulated depreciation	(196,887)	(152,997)
Total Motor Vehicles	509,284	250,978
Total Property, Plant and Equipment	3,851,672	3,436,629

**Movements in carrying amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

NORTHSIDE COMMUNITY SERVICE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT)**

	IT Software & Equipment	Equipment, Furniture & Fittings	Land & Buildings	Leasehold Improvements	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>Opening balance</b>						
Opening Balance of assets transferred from Northside Community Service Incorporated on 24 Dec 2010	69,837	40,832	3,004,987	2,633	199,626	3,317,915
Additions	9,146	21,888	121,644	2,348	95,877	250,703
Disposals (WDV)	-	-	-	-	(4,312)	(4,312)
Depreciation expense	(36,159)	(12,712)	(35,870)	(2,723)	(40,213)	(127,677)
Carrying amount at the end of year	42,824	49,808	3,090,761	2,258	250,978	3,436,629
<b>30 June 2012</b>						
Balance at the beginning of the year	42,824	49,808	3,090,761	2,258	250,978	3,436,770
Additions	228,096	10,945	6,500	-	416,219	659,619
Disposals (cost)	-	-	-	-	(114,023)	(114,023)
Depreciation expense	(21,159)	(20,075)	(46,983)	(587)	(127,330)	(216,134)
Disposals (accumulated depreciation)	-	-	-	-	83,440	83,440
Carrying amount at the end of year	249,761	40,678	3,050,278	1,671	509,284	3,851,672

See Note 22 for details of prior period error.

	2012 \$	2011 \$
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
Annual leave	288,733	219,278
Payroll liabilities	85,046	83,639
Other creditors and accrued expenses	318,709	370,349
	692,488	673,266
<b>NOTE 11: FINANCIAL LIABILITIES - PROVISIONS</b>		
<b>CURRENT:</b>		
Long service leave	30,687	41,936
Employee Support	-	53,206
	30,687	95,142
<b>NON CURRENT</b>		
Long service leave	18,426	21,197
	49,113	116,339

*Employee Support Provisions*

The employee support provision is used to provide an employee assistance program to eligible staff. This program has finished during the current year. All costs of this nature are now funded through normal operations.



## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
<b>NOTE 12: UNEARNED REVENUE</b>		
Unexpended grants	353,953	481,890
Bonds and fundraising	63,664	87,667
Enrolments in advance	108,294	56,779
	<u>525,911</u>	<u>626,336</u>
<b>NOTE 13: BORROWINGS</b>		
Harrison Loan - Current	1,680,000	-
Harrison Loan - Non-Current	-	1,680,000
	<u>1,680,000</u>	<u>1,680,000</u>

1. Bank loan facility secured by Harrison property and all assets including uncalled capital of Northside Community Service Limited renegotiated on a principal and interest basis for a three year term commencing September 2012, original amount \$1,680,000, monthly payments of \$6,093 over 36 months, residual balance of \$1,480,654, with a variable interest rate currently at 3.5% p.a.

**NOTE 14: RESERVES***Corporate and Capital Projects Reserve*

The corporate and capital projects reserve records funds set aside for future corporate projects and the purchase of capital items. These amounts are classified as general reserves in the statement of changes in equity. The reserve has been consolidated into retained earnings in 2011-12 as capital expenditure is allocated on an annual basis as part of the normal budgetary process.

**NOTE 15: EMPLOYEE INFORMATION**

The aggregate employee benefit liability recognised and included in the financial report is as follows:

<b>CURRENT:</b>			
Provisions	11	30,688	95,142
Payables	10	<u>288,733</u>	<u>219,278</u>
<b>NON-CURRENT:</b>			
Provisions	11	<u>18,426</u>	<u>21,197</u>
Aggregate employee benefit liability		<u>337,847</u>	<u>335,617</u>

**NOTE 16: RELATED PARTY TRANSACTIONS**

The names of the Directors who have held office during the financial year are:

Ken Horsham	Vicki Williams	Nerida Hunter
Robert Smyth	David Garratt	Ben Tallboys
Paul Taylor	Leanne Monte	Penny Gregory
Jeffrey House	Robert Knapp	

During the 2011-2012 financial year payments of \$504 were made to Griffin Legal of whom Ben Tallboys is an employee. No other related party transactions were conducted during the year.

## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
<b>NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
The aggregate compensation of key management personnel of the Company is set out below:		
Short term benefits	534,448	278,521
Post employment benefits	48,100	28,504
Total Benefits	<u>582,548</u>	<u>307,025</u>

**NOTE 18: CASH FLOW INFORMATION****a. Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is represented by the following items:

	2012 \$	2011 \$
Cash assets	620,907	1,094,067
	<u>620,907</u>	<u>1,094,067</u>

**b. Reconciliation of net cash related to operating activities to net surplus**

Net surplus/(deficit)	175,173	(60,212)
Non cash flows in surplus:		
Net (gain) on disposal of property, plant and equipment	(20,937)	(7,874)
Depreciation / amortisation	216,134	128,319
Changes in assets and liabilities		
<i>Income related:</i>		
(Increase) in Receivables	(78,163)	(49,835)
(Increase)/Decrease in Other current assets	(7,590)	16,523
Increase/(Decrease) in Unearned revenue	(100,425)	18,599
<i>Expense related:</i>		
Increase/(Decrease) in Payables	19,222	(357,584)
Increase/(Decrease) in Provisions	(67,226)	16,068
Net cash provided by operating activities	<u>136,188</u>	<u>(295,996)</u>

**c. Unused credit facilities**

Northside Community Service Incorporated has a Visa facility with St George Bank with a limit of \$5,000 which was all available for use as at 30 June 2012.

**d. Non cash transactions**

On the 24 December 2010 Northside Community Services Limited acquired all the assets and liabilities from Northside Community Service Incorporated (the Association). The following assets and liabilities were received for no consideration:

- Assets \$5,376,601
- Liabilities (\$3,373,624)

**NOTE 19: ECONOMIC DEPENDENCY**

The Company is dependent for a significant portion of its revenue and its accommodation needs from the Australian Capital Territory and Federal Governments, represented by various departments. Services are provided to the departments under Service Purchasing Contracts.

## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

**NOTE 20: RESOURCES RECEIVED FREE OF CHARGE**

Northside Community Service Limited has leases on the following community facilities:

- Majura Community Centre,
- Corroboree Park Hall,
- Civic Early Childhood Centre
- Treehouse in the Park

The yearly rent is \$0.05 and is only payable, if and when demanded, by Australian Capital Territory Government through its various departments.

**NOTE 21: FINANCIAL INSTRUMENTS****a. Financial Risk Management Policies**

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

The Company does not have any derivative instruments at 30 June 2012:

**Treasury Risk Management**

The Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

**ii. Financial Risk Exposures and Management**

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

**Foreign Currency Risk**

The Company is not exposed to fluctuations in foreign currencies.

**Liquidity Risk**

The Company manages liquidity risk by monitoring forecast cash flows and maintaining adequate cash reserves.

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

There are no material amounts of collateral held as security at 30 June 2012.

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

**Price Risk**

The Company is not exposed to any material commodity price risk.

## NORTHSIDE COMMUNITY SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

**NOTE 21: FINANCIAL INSTRUMENTS (CONT)****b. Financial Instruments 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		Non-interest Bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$
<i>Financial assets</i>								
Cash at bank	3.5	4.5	616,777	1,090,437	4,130	3,630	620,907	1,094,067
Cash on deposit	4.55	8.1	200,000	200,000	-	-	200,000	200,000
Trade and other receivables					353,150	274,987	353,150	274,987
Total financial assets			816,777	1,290,437	357,280	278,617	1,174,057	1,569,054
<i>Financial liabilities</i>								
Trade and other payables					-	692,488	692,488	673,266
Total financial liabilities					-	692,488	692,488	673,266

2012  
\$

2011  
\$

Trade and sundry payables are expected to be paid as follows:

<i>Trade payables</i>		
Less than 6 months	692,488	673,266
Total trade and sundry payables	692,488	673,266

**c. Fair Value of Financial Instruments**

The Board of Directors have considered that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

**d. Sensitivity Analysis****Interest Rate Risk**

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

As at 30 June 2012, the effect on surplus and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2012 \$	2011 \$
Change in surplus		
Increase in interest rate by 1%	8,167	12,904
Decrease in interest rate by 1%	(8,167)	(12,904)
Change in equity		
Increase in interest rate by 1%	8,167	12,904
Decrease in interest rate by 1%	(8,167)	(12,904)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.



**NORTHSIDE COMMUNITY SERVICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**NOTE 22: PRIOR PERIOD ADJUSTMENT**

A review of all fixed assets held by the Company was performed during the year by management along with a review of depreciation rates. This has identified that fixed assets were over depreciated in the prior period and an overstatement of accumulated depreciation of \$59,197 at 30 June 2011. Depreciation expense was overstated by \$55,085 in the prior year (24 December 2010 to 30 June 2011) and the remainder of \$4,112 related to the beginning balance carried forward from the Incorporated Association. In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the error has been corrected by retrospective restatement of the comparative figures:

The error resulted in the following restatements as at and for the year ended 30 June 2011:

Plant, property and equipment increased by \$59,197  
 Depreciation expense decreased \$55,085  
 Retained earnings increased by \$59,197  
 Total comprehensive income for the period increased by \$55,085

The error resulted in the following restatements to the beginning balances carried forward at 24 December 2010:

Plant, property and equipment increased by 4,112  
 Retained earnings increased by \$4,112

Balance Sheet extract	30 June 2011	Adjustment	Restated 30 June 2011
Property, plant & equipment	3,377,432	59,197	3,436,629
Accumulated depreciation – post incorporation	579,024	55,085	523,939
Total Assets	4,979,509	59,197	5,038,706
Net Assets	1,883,568	59,197	1,942,765
Net Assets transferred from Northside Community Service Incorporated on 24 December 2010	1,808,315	4,112	1,812,427
Retained Earnings	1,693,018	59,197	1,752,215
Total Equity	1,883,568	59,197	1,942,765
Income Statement extract:			
Depreciation expense	183,404	(55,085)	128,319
Total comprehensive income	(115,297)	55,085	(60,212)

**NOTE 23: COMPANY DETAILS**

The principal activities of the Company are providing a broad range of capacity building and community services including children, youth and family support, aged and disability, housing and accommodation, childcare and community development and support.

The principal place of business is:  
 Northside Community Service Limited  
 Majura Community Centre  
 2 Rosevear Place  
 DICKSON, ACT, 2602

**NORTHSIDE COMMUNITY SERVICE LIMITED**  
**ABN: 81 090 394 261**  
**DIRECTORS' DECLARATION**

The Directors of Northside Community Service Limited declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

 Kenneth Horsham  
 Vicki Williams  
 Dated this 25<sup>th</sup> day of October 2012



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#### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Northside Community Service Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*RSM Bird Cameron Partners*

RSM Bird Cameron Partners

*G M Stenhouse*

G M STENHOUSE  
Partner

Canberra, Australian Capital Territory  
Dated: 25 October 2012

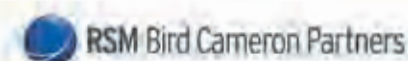
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#### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF NORTHSIDE COMMUNITY SERVICE LIMITED

We have audited the accompanying financial report of Northside Community Service Limited ("the company"), which comprises the balance sheet as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Northside Community Service Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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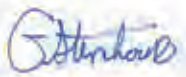
 **RSM Bird Cameron Partners**

*Opinion*

In our opinion the financial report of Northside Community Service Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

  
**RSM Bird Cameron Partners**

  
**G M STENHOUSE**  
Partner

Canberra, Australian Capital Territory  
Dated: 25 October 2012

