



# **Peppercorn Services Inc. Annual Report 2018**





## Acknowledgement of Country

Peppercorn Services Inc. acknowledges the Darug nation as the traditional owners and custodians of the land on which our organisation operates. We pay our respect to Elders past, present and emerging. We acknowledge the spiritual, physical, emotional, mental and economic connections of Aboriginal and Torres Strait Islander people to the Land and Seas. We acknowledge that the dispossession of Country and the disruption to family relationships have resulted in a breakdown of social networks. Peppercorn Services Inc. is committed to working in ways that support and empower Aboriginal people and their families and communities.

### Peppercorn Services Inc.

ABN: 34 611 224 255

Peppercorn Place  
320 George Street  
WINDSOR NSW 2756

Tel: 02 4587 0222

Email: [frontdesk@psinc.com.au](mailto:frontdesk@psinc.com.au)

Fax: 02 4587 0200

[www.peppercornservices.com.au](http://www.peppercornservices.com.au)

Front Cover: Great River Walk, Windsor



## Contents

Contents.....	3
Introduction .....	4
Our Mission & Values.....	5
Our Strategy.....	6
Chairperson’s Report .....	7
Executive Officer’s Report .....	9
Peppercorn Community Transport.....	10
Lawn and Garden Maintenance Services.....	12
Seniors Meals & Social Support .....	13
The Hawkesbury Leisure and Learning Centre .....	14
Forgotten Valley Preschools .....	15
Children and Families South Windsor Family Centre .....	16
Our People .....	18
Our Funders .....	19
Treasurer’s Report .....	20
AUDITED FINANCIAL STATEMENTS .....	21

## Introduction

Founded in 2001 Peppercorn Services Inc. is a dynamic, multi-service organisation serving the Hawkesbury LGA and beyond. Peppercorn Services Inc. is registered as a Deductible Gift Recipient and Public Benevolent Institution with the Australian Charities and Not-for-profit Commission (ACNC).

Over 50 staff and volunteers deliver and provide community transport, early childhood education services, early intervention family support and parenting programs, community capacity building, and centre-based meals, social support and yard maintenance for seniors.

Peppercorn Services Inc. has a strong community reputation and by partnering with other organisations to reach out to isolated communities, we contribute to the development of healthy, inclusive, sustainable and connected communities across the Hawkesbury.

Our organisation is unique as we deliver community services on behalf of Hawkesbury City Council under a Memorandum of Terms of Delegation. Directly funded services extend our reach to communities across the Nepean and Blue Mountains local government areas.

Governance is provided through a volunteer Board representing key stakeholders and all operational matters rest with the Executive Officer.

Grants are received from all three tiers of government, local, state and federal, with additional support received through corporate sponsorships, grants and donations.



## Our Mission & Values

**Our Vision** A connected, healthy and inclusive Hawkesbury

**Our Mission** Reducing social isolation, maximising participation

### Our Values

- ✓ **Community** We value and promote local people, local communities, local resources and local partnerships
- ✓ **Opportunity** We value and promote opportunities for everyone to participate in a healthy community
- ✓ **Service** We value flexible and responsive services that meet the changing needs and expectations of our community
- ✓ **Learning** We value learning and trying different approaches to strengthen vulnerable communities
- ✓ **Service** We value the respect and trust of our community and seek to lead for the benefit of others



### What we mean when we talk about community

We see a place where everyone can be part of a community, where everyone has a place they can call home, where everyone has someone they can talk to, someone they can call “a friend”.





## Our Strategy

### **We will build stronger, inclusive, cohesive communities by**

- Developing innovative, evidence-based programs that address social isolation
- Raising awareness of social isolation and the impact of loneliness on psychological and social wellbeing and physical health

### **We will provide flexible services that adapt to changing community need by**

- Listening to clients and the broader public to understand changing expectations
- Enhancing opportunities for you to give us feedback
- Integrating existing services to provide wrap-around support
- Creating partnerships with other agencies so that we do work better together

### **We will encourage participation in community, cultural and civic life by**

- Connecting socially and geographically isolated residents with Hawkesbury's community, cultural and civic life through Peppercorn's programs
- Supporting Hawkesbury City Council cultural and civic initiatives
- Collaborating on improving volunteering opportunities across the Hawkesbury, especially for vulnerable people, and socially and geographically isolated groups

### **We will support access and equity to services that strengthen wellbeing by**

- Expanding community transport for socially isolated groups and vulnerable residents of the Hawkesbury
- Supporting community gatherings for vulnerable and socially isolated groups
- Engaging with an Aboriginal advisory group to develop and co-design culturally-safe and accessible services for the Aboriginal community

**Peppercorn's Strategy aligns with Hawkesbury City Council's *Community Strategic Plan* and these specific initiatives: 2.4.1 2.4.2 2.5.1 and 2.5.2**



## Chairperson's Report

Over the past 12 months, considerable time and effort has been invested in finalising our Strategic Plan. For Peppercorn Services Inc to remain relevant and responsive, its vital that our strategic plan is revised to ensure that it supports the needs of our community and meets the demands of the legislative environment in which we now operate. Current funding requirements along with the recently introduced National Disability Insurance Scheme (NDIS) demand a more rigorous and innovative approach to how we manage and deliver our business and services. I am confident that our Strategic Plan provides a sound platform to ensure we are a responsive & innovative community services leader in The Hawkesbury.

At the time of writing this report, our Board is in the final stages of approving the Marketing and Communication Plan to formally launch our refreshed Strategic Plan to our staff and to the Hawkesbury community. We are expecting to do this prior to the end of 2018.

Our Board displayed strong community leadership during the year in considering and agreeing to take over the operation of LINCS. LINCS is a highly regarded local community group providing in home and parental support to young families experiencing social isolation. LINCS has been operating for over 20 years and relies on the support of a small group of dedicated volunteers. The proposed merger of LINCS with Peppercorn Services Inc not only helped LINCS secure another 3 years of funding but ensures LINCS has ongoing administrative and governance support. In return, the LINCS Volunteer Model is a great template for Peppercorn Services Inc. to use to increase the use of volunteers in the delivery of our services.

Thank You to our dedicated and hard-working staff and volunteers for your efforts and support over the past 12 months. Your efforts are greatly appreciated by all of us on our Board. The services sector is a challenging sector to be working in right now. However, we greatly appreciate your unrelenting focus on doing the best you can for our customers.

Thank You Andrew and our Management Team for your continued efforts and persistence in preparing our organization to be fit to be a local leader in providing the services that our community and customers need and seek.

Finally, Thank You to our Board Members for your time, your contributions and your commitment to ensuring that our Board is an effective Board. It was great to welcome new Board Members during the year: Cheryl Feeney (Hawkesbury District Health), Katherine Hawes (community member), Kevin Hedge (Nepean Blue Mountains Health) and Ian Moore (Anglicare). Sadly, we farewell Joseph Litwin (Hawkesbury City Council), Kerry Spindler (Nova

Employment) and Debra Dixon (Anglicare). On behalf of all at Peppercorn, our sincere thanks to Kerry and Debra for your valued support and contributions to our Board and to our organization. To Joseph, you are one of the architects of our organisation and a founding Board Member. You are a major reason we are who we are today. Thank you for your guidance, support, contributions and regular attendance at our Board Meetings. We will miss you and will be forever grateful for your inspiration and vision for peppercorn Services Inc.

### Rob Ewin, Chairperson

#### Peppercorn Services Inc. Board at 30 June 2017

Rob Ewin (Chairperson)	Joseph Litwin (Treasurer)
Kerry Spindler (Vice Chairperson)	Meagan Ang (Secretary & Public Officer)
Kaylene Kelland	Councillor Emma-Jane Garrow
Cheryl Feeney	Debra Dixon
Katherine Hawes	Kevin Hedge

Board Member	Meetings Held	Meetings Attended	Permitted Absences
Rob Ewin (Chairperson)	10	8	2
Kerry Spindler (Vice Chair)	10	6	4
Joseph Litwin (Treasurer)	10	6	4
Meagan Ang (Secretary & Public Officer)	10	8	2
Clr. Emma-Jane Garrow	10	6	4
Kaylene Kelland	10	9	1
Bronwyn Reed	3	3	0
Debra Dixon	10	7	3
Cheryl Feeney	7	6	1
Katherine Hawes	6	6	0
Kevin Hedge	6	1	5





## Executive Officer's Report

It is my pleasure to present this Executive Officer's Report for Peppercorn Services in this 2018 Annual Report. Peppercorn Services has continued to strengthen its position as a forward-thinking innovative service provider in the Hawkesbury.

This year we have listened to hundreds of Hawkesbury residents who participated in the Community Strategic Plan consultations run by Hawkesbury City Council. We looked carefully at the research and statistics provided by the Australian Census and others. Together with Board and management, we have worked through how Peppercorn Services can deliver services and programs that will have the greatest impact in our community to those most in need, to vulnerable families and others at risk of social isolation and loneliness.

The result is that we now have a very clear Mission, Vision and Strategy which is strongly aligned to Council's own Community Strategic Plan. Our focus will be on connecting with and serving people across the Hawkesbury who are vulnerable or experiencing social and geographical isolation. This Annual Report describes our key Strategic Plan initiatives. Next year we will report on our progress in meeting these goals.

Peppercorn Services has delivered a sound financial performance for 2017-2018 with revenues of \$2,392,864 (2016: \$2,559,040) and an end-of-year surplus of \$40,272 (2016: \$43,940). Peppercorn Services is more than just money: it is the sum of countless conversations and a myriad of services successfully provided to approximately 10,000 people in communities across the Hawkesbury.

The following pages detail the breadth of what Peppercorn's staff have achieved this year. More than just being busy, our workers – both paid and volunteer – have made a tremendous impact in bringing the Hawkesbury together. Thank you for making a difference every day.

Thank you to the Board for their leadership and governance, especially to Chairperson Rob Ewin. Thank you to Hawkesbury City Council staff, officers and Councillors for their continued support and encouragement. Together we can make a positive difference every day to this beautiful community.

**Andrew Tuck**  
Executive Officer

## Peppercorn Community Transport

**Peppercorn Community Transport** provides transport to people across the Hawkesbury LGA who have no or limited access to private or public transport due to their location, when they need to travel, their financial resources, or their physical and cognitive capacities.

We assist these “transport disadvantaged” people to take part in activities that promote social inclusion and to obtain goods and services required for daily living such as groceries and clothing, medical appointments and other essential services.

Throughout 2017-2018 community transport was provided under three key funding programs: Commonwealth Home Support Program (CHSP) for people aged over 65; NSW Community Transport Program for other transport disadvantaged people not covered by CHSP; and NSW Health supported transport to cancer care, renal and dialysis, and pulmonary care treatments.

Peppercorn Community Transport has received generous donations from the Hawkesbury Living Cancer Trust, Windsor Toyota and Specsavers Richmond. These generous donations have enabled us to completely offset the passenger fare so that anyone receiving oncology treatment (and their spouse) travel at no cost, and renal/dialysis and pulmonary care patients can travel for no more than \$5 a day across the Nepean Blue Mountains Local Health District. Thank you to each donor and sponsor for being so generous.





## Community Transport Services at a glance

### In 2017-2018 Peppercorn Community Transport

- ✓ Delivered 14,883 trips for 571 unique passengers
- ✓ Travelled 226,368 kilometres in our fleet of 10 vehicles
- ✓ Provided services for 246 days in the year
- ✓ Our passengers come from 42 countries
- ✓ And speak 13 languages



## Lawn and Garden Maintenance Services

**The Peppercorn Lawn and Garden Maintenance Service** is funded by the Commonwealth Home Support Program (CHSP) to provide entry-level support services to assist frail, older people to live independently at home and in the community.

Peppercorn's Lawn Maintenance Service focuses on maintenance of the yard or garden to improve safety, accessibility and independence within the home environment for the client, by minimising environmental health and safety hazards.

This year more than 50 properties have received special purpose clean-ups to improve safety and access, pressure cleans removing mould from house exteriors or pathways, and weed spraying around the edge of properties. Over 200 properties received an extra service to help prepare them for fire season. We also worked closely with Hawkesbury City Council to address squalor & hoarding issues at another 10 properties. The photos below show before our contractors started, and the now-usable yard after they completed the job.

### Services at a glance

- ✓ **691 clients**
- ✓ **32,134 hours of service**





## Seniors Meals & Social Support

The **Peppercorn Services Multi-Service Outlet** is funded by the Commonwealth Home Support Program (CHSP) to provide entry-level support services to assist frail, older people to live independently at home and in the community.

Providing meals to frail, older people at our centres and elsewhere assists in informal health monitoring of clients and supports social participation. Structured group-based activities are designed to develop, maintain and support social interaction and independent living. The social support groups can participate in tailored activities promoting physical activity, cognitive stimulation and emotional wellbeing, or excursions and day trips that encourage clients to interact and engage with their peers.

### Services at a glance

- ✓ **74 clients**
- ✓ **1,423 meals**
- ✓ **2,201 trips**
- ✓ **3,774 hours of social support**





## The Hawkesbury Leisure and Learning Centre

**The Hawkesbury Leisure and Learning Centre (HLLC)** in Richmond facilitates service delivery for Peppercorn Services and connects individuals and groups into other community activities and resources. HLLC is directly supported and funded by Hawkesbury City Council. Macquarie Community College and the Australian Research Centre for PTSD are our cornerstone hirers.

**This year Peppercorn Services Inc has hosted about 30 different hirers and activities at HLLC including:**

- Events such as the International Women's Day dinner,
- Counselling and courses such as aromatherapy and art therapy offered by The Women's Cottage
- Drug and Alcohol counselling offered by The Noffs Foundation
- Mental Health Forum and other consultations with Susan Templeman MP and local service providers
- Auslan training with The Deaf Society NSW
- Community consultation and education by the Australian Airforce and RAAF base
- Training days and Youthfest with Platform Youth Services
- Hawkesbury City Council community consultations
- Health and Leisure To You – social group for younger onset dementia (NDIS Registered Service Provider)
- Uniting Local Area Coordination Transition Service – Information Sessions for Participants and Service Providers
- Sports Turf Association NSW Incorporated
- Judity Pemell Counselling Services
- Seniors Exercise Group

Exciting courses for children and young people have been held such as:

- A week-long workshop on Drone certification
- Build-A-Mind Lego workshops - (NDIS Registered Service Provider)
- Royal Institute for Deaf & Blind Children (RIDBC) – Cochlear Implant Program (NDIS Registered Service Provider)



## Forgotten Valley Preschools

**The Forgotten Valley Mobile Preschool Resource Unit** provides quality early childhood education and care for children 3-6 years of age and operates from South Maroota and Wisemans Ferry. As the only dedicated preschool in the area it is highly valued by the parents and grandparents of the children who attend. The Forgotten Valley Preschools are funded by the NSW Department of Education.

Children at South Maroota love outdoor play where they can be super creative and explore. The cicadas were in an abundance this year, so they spent many weeks collecting their shells and the occasional live one. They made 'homes' from boxes, they lined them up after a hunt, and counted them. Our record in one day was 63!



We did more research on iPads and learnt all about cicadas' cycles and why they can be super noisy. Our South Maroota children's imaginations are amazing and pretend play has been a focus this year: setting up car washes, doctor's surgeries, shops, schools and offices just to name a few.

Wisemans Ferry has been growing and we are now full on a Friday with 19 children attending. The children are very independent learners and seek out structured activities such as cutting, collage and drawing and colouring! They are so engaged in their learning that on occasions we have extended activity time as they have not been ready to pack away. Sensory activities have been a priority this year, so we have had activities such as playing shaving cream, cloud dough, goop, slime, finger painting and ice play and the children have just loved it.

Healthy Harold visited both preschools and discussed Healthy Eating with the children and we focused our program around this for several weeks. Since the visit, the children are actively taking control of the foods in their lunchboxes and making very healthy choices. They have amazed us with their maturity and knowledge around food choices.

### Services at a glance

- ✓ **13 children attended South Maroota**
- ✓ **23 children attended Wisemans Ferry**

## Children and Families South Windsor Family Centre

**Peppercorn Services: Children and Families** operates from South Windsor Family Centre providing soft-entry universal services for the wider community as well as targeted, intensive family support for vulnerable families and children. Vulnerable families may be experiencing:

- Lack of social or extended family supports;
- Parental difficulty in understanding and supporting their children at key child development stages;
- Parental difficulty in managing children's behaviour or emotional issues;
- Financial difficulties or poverty that affects their ability to manage household budgets or apply for jobs;
- Illness including mental health issues such as mild depression, or sudden illness requiring social support;
- Cultural barriers such as new migrant families unable to access culturally appropriate supports and services;
- Homelessness including families needing referral for immediate housing and those with longer-term housing needs;
- Escape from violent relationships as women (and their children) seek assistance to access legal services, housing and other supports.

This year the Children and Families program delivered

- supported playgroups in South Windsor, South Maroota and Wisemans Ferry;
- community capacity building in South Windsor, Wisemans Ferry, St Albans and other rural and remote communities;
- targeted, parenting skills development courses such as Triple P, 1-2-3 Magic, Circle of Security, Early Literacy and Numeracy, and Transition to School;
- intensive child and family support providing comprehensive information, advice, support and guidance to families;
- community events such as Craft in the Park and Family Fun Days.



## Children and Families Services... at a glance

- ✓ 71 families brought children to 148 playgroup sessions
- ✓ 1,102 families received information and advice
- ✓ 5,587 information resources distributed
- ✓ 916 families attended 208 workshops and built their skills
- ✓ 42 families received intensive family support
- ✓ 107 people took part in 40 community consultations
- ✓ 1,149 people (adults and children) came to 31 community events







## Our People

**It is with deep appreciation that we say Thank You and acknowledge every worker who has contributed to the success and growth of Peppercorn Services in 2017-2018.**

### Our Board

Rob Ewin (Chair)	Debra Dixon	Kevin Hedge
Kerry Spindler (Vice Chair)	Cheryl Feeney	Kaylene Kelland
Joseph Litwin (Treasurer)	Emma-Jane Garrow	Bronwyn Reed
Meagan Ang (Secretary)	Katherine Hawes	

### Our Paid Staff

Jodie Barber	Marilyn Downey	Deborah Humphreys	Deanna Stapleton
Anne Birchall	Eddie Dries	John Irving	Melanie Stephens
Therese Bogart	Kevin Ewer	Cheryl Millard	Michael Taylor
Garry Brown	Debbie Facchin	Dianne Pausey	Andrew Tuck (EO)
Jackie Burgess	Gina Ferguson	Veronique Pierre	Darren Vos
Jillian Carter	Sharon Fisher	Tammy Porter	Wendy Weibye
Jenni Mae Clissold	Rebecca Gilbert	Annette Price	Hailee Williams
Kristine Cooper	Tony Griffiths	Kim Roche	Meigan Williams
Khrise Craig	Maree Hanna	Nicole Scott	
Ossie Cividin	Ashlei Hay	Janell Skinner	

### Our Volunteers

Joan Bruce	Gillian McIntyre	Adam Pemberton
Kerrie Creer	Branislav Milinkovic	Mark Rae
Tim Everington	Shayla Moerman	Ron Rae
James Fenech	Ricki Nash	Kat Rapson
David Fleetwood	Elaine O'Connell	Gus Vans-Colina
Gloria McCabe	Liz Parker	
Luke McGown	Gail Pausey	

**In 2017-2018 we recorded 355 volunteer sessions contributing 2,031 hours of service valued at \$63,969.** Thank you for making such a huge difference to Hawkesbury communities.



## Our Funders

<b>Funder</b>	<b>Service</b>
<b>NSW Department of Family and Community Services</b>	<b>Peppercorn Services: Children and Families</b>
<b>NSW Department of Education</b>	<b>Forgotten Valley Mobile Preschools</b>
<b>Commonwealth Department of Health</b>	<b>Peppercorn Community Transport, Lawns and Gardens, Meals and Social Support</b> – for people over 65
<b>NSW Health</b>	<b>Peppercorn Community Transport</b> – health related transport
<b>Transport for NSW</b>	<b>Peppercorn Community Transport</b> – for people who are “transport disadvantaged”
<b>Hawkesbury City Council</b>	<b>Peppercorn Place, HLLC, and other services</b>

Funding for Peppercorn Services Inc. has been provided by the Australian Government, the NSW Government and Hawkesbury City Council. However, the material contained in this report does not necessarily represent the views or policies of the Australian or NSW Governments, or of Hawkesbury City Council.



## Treasurer's Report

I am pleased to present the Audited Financial Statements for Peppercorn Services Inc. for the financial year 2017-2018.

Peppercorn's financial management systems operate in accordance with Australian Accounting Standards and meet the reporting requirements of our funding bodies. Our chart of accounts is based on the Australian Government approved National Standard Chart of Accounts for reporting by not-for-profit organisations and is compliant with the guidelines set down by the ACNC.

We undertake a strict financial auditing process utilising the expertise of HG Khouri & Associates, Certified Practising Accountants. The audit is conducted in accordance with Australian Auditing Standards, which require that the auditors comply with ethical requirements and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. The audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial report.

Procedures selected depend on the auditor's judgement and include the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. The audit also evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

Our audited financial reports are supplied to our funders and are lodged with the ACNC.

**Joseph Litwin**  
Treasurer





**PEPPERCORN SERVICES INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

Peppercorn Services Inc.  
ABN 34 611 224 255  
Responsible Persons Declaration  
for the Year Ended 30 June 2018

---


In the opinion of the responsible persons of the association:

1. The financial report presents a true and fair view of the financial position of Peppercorn Services Inc. as at 30 June 2018 and its performance for the year ended on that date;
2. At the date of this statement, there are reasonable grounds to believe that Peppercorn Services Inc. will be able to pay all of its debts as and when they become due and payable;  
and
3. The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

This statement is made in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013 and is signed for and on behalf of the management committee by:



Rob Ewin



Meagan Ang

Dated this 25 day of October 2018

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Statement of Comprehensive Income**  
**for the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
Revenue	2	2,392,864	2,559,040
Employee expenses		(1,496,257)	(1,615,023)
Depreciation & impairment losses		(94,909)	(155,587)
Contractor expenses		(310,994)	(307,818)
Operating lease expense		(5,340)	(8,297)
Occupancy & Utilities		(106,016)	(89,792)
Insurance		(43,815)	(41,216)
Program expenses		(86,154)	(86,806)
Motor Vehicle		(63,224)	(83,634)
Communication & IT expenses		(82,136)	(93,051)
Other expenses		(63,747)	(33,876)
<b>Surplus / (Deficit) for the year</b>	3	40,272	43,940
<b>Other comprehensive Income after Income tax:</b>			
<b>Other comprehensive Income for the year, net of tax</b>		0	0
<b>Total comprehensive Income for the year</b>		40,272	43,940
Total comprehensive Income attributable to members of the entity		40,272	43,940

*The accompanying notes form part of these financial statements.*



**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Statement of Financial Position**  
**for the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	1,329,009	1,315,296
Trade and other receivables	6	67,335	9,226
Deposits		177	377
TOTAL CURRENT ASSETS		<u>1,396,521</u>	<u>1,324,899</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	307,364	394,820
TOTAL NON-CURRENT ASSETS		<u>307,364</u>	<u>394,820</u>
TOTAL ASSETS		<u><u>1,703,885</u></u>	<u><u>1,719,719</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	110,143	135,238
Employee benefits	9	62,597	64,072
Current tax liabilities	10	27,804	5,758
Unspent grant funds	11	23,063	79,708
TOTAL CURRENT LIABILITIES		<u>223,607</u>	<u>284,776</u>
NON-CURRENT LIABILITIES			
Employee Benefits	9	125,073	120,010
TOTAL NON-CURRENT LIABILITIES		<u>125,073</u>	<u>120,010</u>
TOTAL LIABILITIES		<u>348,680</u>	<u>404,786</u>
NET ASSETS		<u><u>1,355,205</u></u>	<u><u>1,314,933</u></u>
<b>EQUITY</b>			
General reserves	12	583,377	583,377
Retained earnings		771,828	731,556
TOTAL EQUITY		<u><u>1,355,205</u></u>	<u><u>1,314,933</u></u>

*The accompanying notes form part of these financial statements.*

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Statement of Changes In Equity**  
**for the Year Ended 30 June 2018**

	Retained Earnings \$	Financial Assets Reserve \$	General Reserves \$	Total \$
<b>Balance at 30 June 2016</b>	687,616		583,377	1,270,993
<b>Comprehensive Income</b>				
Surplus / (Deficit) for the year	43,940			43,940
Other comprehensive Income for the year				
<b>Total comprehensive Income</b>	43,940			43,940
Transfers to Reserves				
<b>Balance at 30 June 2017</b>	731,556		583,377	1,314,933
<b>Comprehensive Income</b>				
Surplus / (Deficit) for the year	40,272			40,272
Other comprehensive Income for the year				
<b>Total comprehensive Income</b>	40,272			40,272
Transfers to Reserves				
<b>Balance at 30 June 2018</b>	771,828		583,377	1,355,205

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Statement of Cash Flows**  
**for the Year Ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in course of operations		2,291,585	2,477,537
Cash payments in course of operations		(2,298,476)	(2,338,997)
		<u>(6,891)</u>	<u>138,540</u>
Interest received		28,057	32,715
<b>Net Cash generated from operating activities</b>	13	21,166	171,255
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		(7,453)	(348,117)
Proceeds from sale of property, plant & equipment		0	65,089
		<u>(7,453)</u>	<u>(283,028)</u>
Net increase (decrease) in cash held		13,713	(111,773)
Cash at the beginning of the period		1,315,296	1,427,069
<b>Cash at the end of the period</b>	5	<u>1,329,009</u>	<u>1,315,296</u>
<b>RECONCILIATION OF CASH</b>			
Cash		1,198	1,344
Short term deposits		1,201,055	1,191,647
Cash at Bank		126,756	122,305
		<u>1,329,009</u>	<u>1,315,296</u>

*The accompanying notes form part of these financial statements.*



**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

The financial statements cover Peppercorn Services Inc. as an individual entity. Peppercorn Services Inc. is an association Incorporated in New South Wales under the *Associations Incorporation Act 2009*.

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

**Basis of Preparation**

Peppercorn Services Inc. applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 2009. The association 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 the 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.

**Accounting Policies**

**(a) Income Tax**

The Association is endorsed as in Income tax exempt charity under Subdivision 50-B of the Income Tax Assessment Act 1997. As such, the financial statements make no provision for Income tax.

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

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

**Plant and equipment**

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1I for details of impairment).

The cost of fixed assets constructed by the association 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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are Incurred.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

### **Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold improvements	5%
Motor Vehicles	20%
Leased plant and equipment	10% - 33%
Computer Equipment & Software	25% - 33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

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

### **I Leases**

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, Including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or ownership over the term of the lease.

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

Lease Incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### **(d) Financial instruments**

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(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 for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in fair value (ie gains and losses) recognised Included in profit or loss.

(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.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive Income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive Income is reclassified into profit or loss.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

*Impairment*

At the end of each reporting period, the association assesses whether there is 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 immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive Income is reclassified to profit or loss at this point.

*Derecognition*

Financial assets are derecognised where the contractual right 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 the 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.

**I Impairment of Assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

Impairment testing is performed annually for any goodwill and any intangible assets with indefinite lives.

**(f) Employee Provisions**

**Short-term employee benefits**

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the



**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

terms of the obligations. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

**(g) Cash and Cash Equivalents**

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

**(h) Revenue and Other Income**

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

**(j) Comparative Figures**

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**(k) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(l) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(m) Key Estimates**

*Impairment*

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

*Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

**(n) Critical Accounting Estimates and Judgements**

The Board of Management evaluates 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 Association.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Revenue:		
– Grants	1,860,054	1,926,300
– Contributions from Hawkesbury City Council	126,439	144,431
– Fees received	292,020	287,838
	2,278,513	2,358,569
Other revenue:		
– Donations & Fundraising	16,348	80,197
– Costs recovered	1,626	3,348
– Interest received	28,057	32,715
– Profit on sale of non current assets	0	65,089
– GST Refund	2,432	0
– Unspent funds approved to retain	37,878	0
– Other Income	28,010	19,122
	114,351	200,471
Total revenue	2,404,521	2,559,040

**NOTE 3: THE SURPLUS FOR THE YEAR HAS BEEN ARRIVED AT AFTER THE FOLLOWING SIGNIFICANT EXPENSES:**

**Significant Expenses**

– Occupancy & Utilities	106,016	89,792
– Insurance	43,815	41,216
– Program Expenses	86,154	86,806
– Consultancy & External Contractors	310,994	307,818
– Motor Vehicle Expenses	63,224	83,634
– Communication & IT Expenses	82,136	93,051

**NOTE 4: AUDITORS' REMUNERATION**

Remuneration of the auditor of the association for:

– auditing or reviewing the financial report	12,090	11,952
– other services	0	0
	12,090	11,952

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	123,215	123,733
Short-term bank deposits	1,205,794	1,191,563
	<u>1,329,009</u>	<u>1,315,296</u>

The effective interest rate on short-term bank deposits was 2.22% (2016: 2.61%); these deposits have an average maturity of 180 days.

**NOTE 6: TRADE AND OTHER RECEIVABLES**

**CURRENT**

Trade receivables	47,849	9,226
Prepayments	19,486	0
Total current trade and other receivables	<u>67,335</u>	<u>9,226</u>

Current trade receivables are non-interest bearing loans and are generally receivable within 30 days. A provision for impairment is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2018 (2017: No impairment).

**Credit risk**

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.



**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>		
Furniture & fittings, plant & equipment:		
At cost	253,232	274,417
Accumulated depreciation and provision for impairment	(253,232)	(274,417)
	0	0
Leasehold improvements:		
At cost	73,359	73,359
Accumulated depreciation	(55,509)	(51,859)
	17,850	21,500
Motor Vehicles		
At Cost	690,173	690,173
Accumulated depreciation	(400,659)	(316,852)
Total Motor Vehicles	289,514	373,321
Total property, plant and equipment	307,364	394,821

**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:

	<b>Furniture &amp; fittings, plant &amp; equipment</b>	<b>Computer Software</b>	<b>Leasehold Improvements</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 30 June 2016	0	0	25,150	177,140	202,290
Additions	50,080	0	0	298,038	348,118
Disposals	0	0	0	0	0
Depreciation expense & impairment	(50,080)	0	(3,650)	(101,857)	(155,587)
Carrying amount at 30 June 2017	0	0	21,500	373,321	394,821
Additions	7,454				7,454
Disposals	(28,639)				(28,639)
Depreciation expense & impairment	21,185	0	(3,650)	(83,806)	(66,271)
Carrying amount at 30 June 2018	0	0	17,850	289,515	307,365

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>NOTE 8: TRADE AND OTHER PAYABLES</b>		
CURRENT		
Unsecured liabilities:		
Trade Creditors	67,609	69,377
Other Creditors and Accruals	42,534	65,861
	110,143	135,238
	110,143	135,238

**NOTE 9: EMPLOYEE PROVISIONS**

CURRENT		
Provision for leave (excluding long service leave)	62,597	64,072
Opening Balance at 1 July	64,072	75,674
Increase / (decrease) in provision during the year	(1,475)	(11,602)
Balance at 30 June, 2018	62,597	64,072
	62,597	64,072

**Employee Provisions – annual leave entitlements**

Based on past experience, the association expects the full amount of the annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

NON CURRENT		
Provision for long service leave	125,073	120,010
Opening Balance at 1 July	120,010	126,852
Increase / (decrease) in provision during the year	5,063	(6,842)
Balance at 30 June, 2018	125,073	120,010
	125,073	120,010

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>NOTE 10: CURRENT TAX LIABILITIES</b>		
GST Payable	27,804	5,758
Total Current Tax Liabilities	27,804	5,758

**NOTE 11: GRANTS RECEIVED IN ADVANCE / UNSPENT**

DSS Funding – Home Maintenance		44,708
ADHC Funding – NDIS Transition Assistance		35,000
CCSP Funding – Transport for NSW	11,657	
DET Funding – QLE Forgotten Valley Preschools	11,406	
Total unspent grant funds	23,063	79,708

**NOTE 12: RESERVES**

**General reserve**

The general reserve represents funds set aside for future asset replacement.

**NOTE 13: CASH FLOW INFORMATION**

**Reconciliation of net Cash Provided by Operating Activities to Operating Surplus after Income tax**

Operating surplus/(deficit) after income tax	40,272	43,940
Depreciation & provision for impairment	94,909	155,587
Loss/(gain) on disposals	0	(65,089)
<b>Change in assets and liabilities</b>		
Decrease (increase) in debtors	(38,623)	11,334
Decrease (increase) in prepayments	(19,287)	61,614
Increase (decrease) in creditors and accruals	(3,048)	(22,654)
Increase (decrease) in income in advance	(56,645)	4,967
Increase (decrease) in employee leave provisions	3,588	(18,444)
	21,166	171,255

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

	2018	2017
	\$	\$
<b>NOTE 14: RELATED PARTY TRANSACTIONS</b>		
<b>a. Key Management Personnel</b>		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.		
Key management personnel compensation		
– short-term Benefits	153,548	148,710
– post-employment Benefits (Superannuation)	13,145	12,213
	<u>166,693</u>	<u>148,710</u>

**b. Other Related Parties**

The following persons held the position of Board Member of the Association during the financial year.

Full year: Rob Ewin; Joseph Litwin; Kaylene Kelland; Meagan Ang; Kerry Spindler; Debra Dixon, Clr Emma-Jane Garrow

Part year: Bronwyn Reed (Jul – Sep); Cheryl Feeney (Oct – June); Katherine Hawes (Jan – Jun); Kevin Hedge (Mar – Jun)

Board Members provided their services to the Association at no cost.  
There were no transactions with Board Members during the financial year.

**NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

Since the end of the financial year, there are no events or transactions which could render any particulars included in the financial statements to be misleading or inaccurate.



**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

**NOTE 16: FINANCIAL RISK MANAGEMENT**

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<b>Note</b>	<b>2018</b> \$	<b>2017</b> \$
<b>Financial assets</b>			
Cash and cash equivalents	5	1,329,009	1,315,296
Receivables	6	47,849	9,226
<b>Total financial assets</b>		1,376,858	1,324,522
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
– trade and other payables	8	110,143	135,238
<b>Total financial liabilities</b>		110,143	135,238

**Financial Risk Management Policies**

The association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

**Specific Financial Risk Exposures and Management**

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

**(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing trade and other receivables.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

**(c) Interest rate risk**

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market interest rates. The Association's interest-bearing financial assets and financial liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

**Net Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Notes to the Financial Statements**  
**for the Year Ended 30 June 2018**

---

		2018 \$		2017 \$	
	Note	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
<b>Financial assets</b>					
Cash and cash equivalents	(i)	1,329,009	1,329,009	1,315,296	1,315,296
Trade and other receivables	(i)	47,849	47,849	9,226	9,226
<b>Total financial assets</b>		<u>1,376,858</u>	<u>1,376,858</u>	<u>1,324,522</u>	<u>1,324,522</u>
<b>Financial liabilities</b>					
Trade and other payables	(i)	110,143	92,657	135,238	135,238
<b>Total financial liabilities</b>		<u>110,143</u>	<u>92,657</u>	<u>135,238</u>	<u>135,238</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave, which is outside the scope of AASB 139.

**NOTE 18: ASSOCIATION DETAILS**

The registered office of the association is:

Peppercorn Services Inc.  
320 George Street  
Windsor NSW 2756

The principal places of business is:

Peppercorn Services Inc.  
320 George Street  
Windsor NSW 2756



# H G KHOURI & ASSOCIATES

Accountants and Business Advisors

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEPPERCORN SERVICES INC.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Peppercorn Services Inc (the association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Peppercorn Services Inc is in accordance with the *Associations Incorporation Act 2009*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 2009* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the ability of the association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.



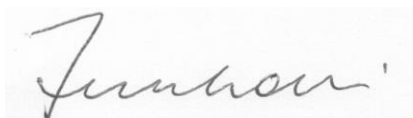
## Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



Frank G Khouri B Bus. FCPA, CTA

H G Khouri & Associates

312 George Street Windsor NSW 2756

Dated this 17th day of October 2018



HG Khouri & Associates  
is a CPA Practice

HG Khouri & Associates Services Pty Ltd A.B.N. 26 001 893 214

"Copes Cottage" 312 George Street, Windsor NSW 2756  
PO Box 151 Windsor NSW 2756

Telephone: (02) 4577 6033 • Fax: (02) 4577 4825

Email: [hgkhouri@hgk.com.au](mailto:hgkhouri@hgk.com.au)

DISCLOSURE: "Liability limited by a scheme approved under Professional Standards Legislation.  
"Other than for the acts or omissions of financial services licensees."



Tax agent  
57974009



## H G KHOURI & ASSOCIATES

Accountants and Business Advisors

### AUDITORS DISCLAIMER

PEPPERCORN SERVICES INC.

(OUR CLIENT)

ADDITIONAL INFORMATION INCLUDED FOR THE BENEFIT  
OF MEMBERS ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

The additional financial data presented in the following income and expenditure statements is in accordance with the books and records of Peppercorn Services Inc. for the year ended 30 June 2018 which have been subject to the auditing procedures applied in our statutory audit of the Association. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither we nor any member or employee of our firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

**H G Khouri & Associates**

**Frank G Khouri B.Bus.,FCPA, CTA**

**Partner**

312 George Street Windsor NSW 2756

Dated 17 October 2018



HG Khouri & Associates  
is a CPA Practice

HG Khouri & Associates Services Pty Ltd A.B.N. 26 001 893 214

"Copes Cottage" 312 George Street, Windsor NSW 2756  
PO Box 151 Windsor NSW 2756

Telephone: (02) 4577 6033 • Fax: (02) 4577 4825

Email: [hgkhouri@hgk.com.au](mailto:hgkhouri@hgk.com.au)

DISCLOSURE: "Liability limited by a scheme approved under Professional Standards Legislation.  
\*Other than for the acts or omissions of financial services licensees."



Tax agent  
57974009

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Statement of Income & Expenditure**  
**for the Year Ended 30 June 2018**

	2018	2017
	\$	\$
<b><u>CONSOLIDATED</u></b>		
<b>INCOME</b>		
Grants Received – Commonwealth	933,531	843,417
Grants Received – Commonwealth (non-recurrent)	14,761	15,000
Grants Received – State	875,594	1,032,383
Grants Received – State (non-recurrent)	36,168	33,500
Grants Received – Other	0	2,000
Unspent funds approved to retain	37,878	0
Fees Received	292,020	287,838
Donations Received	16,348	80,197
Interest Received	28,057	32,715
Costs Recovered	1,626	3,348
Other Income	28,010	19,122
Contribution from HCC	126,439	144,431
Profit on Sale of Non-current Assets	0	65,089
GST Refund	2,432	0
	2,392,864	2,559,040
<b>EXPENDITURE</b>		
Advertising & Promotion	675	130
Auditor's Remuneration	12,090	11,952
Bank Charges	1,853	1,788
Board Expenses	1,950	1,795
Cleaning & Waste Disposal	1,892	3,741
Computer Expenses	67,979	74,979
Contractor Payments	310,994	307,818
Depreciation and impairment losses	94,909	155,587
Donations	54	42
Donations Received Expended	818	1,266
Employee Assistance Program	800	1,280
Equipment Hire / Lease	5340	8,297
Insurance - Workers Compensation	28,350	31,829
Insurance	15,465	9,387
Low Value Assets	0	5,676
Management Fee	19,500	0
Memberships & Subscriptions	7,415	5,580
Motor Vehicle Expenses	63,224	83,634
Printing & Stationery, Postage	8,378	3,120
Program Expenses	86,154	86,806
Recruitment Expenses	4,376	3,736
Rent & Occupancy Costs	54,927	31,116

**Peppercorn Services Inc.**  
**ABN 34 611 224 255**  
**Statement of Income & Expenditure**  
**for the Year Ended 30 June 2018**

---

	2018	2017
	\$	\$
Repairs & Maintenance – Air Conditioning	11,292	12,554
Repairs & Maintenance – Fire Services & Risk Management	316	1,720
Repairs & Maintenance – Tenant Amenities	568	2,207
Repairs & Maintenance – General	8,123	11,359
Salaries & Wages and Oncosts	1,474,704	1,593,806
Security Costs	1,560	1,560
Staff Amenities	3,636	5,497
Staff Training	15,297	11,499
Sundry Expenses	4,358	0
Telephone	14,157	18,072
Travel & Accommodation	2,279	1,264
Uniforms	1,768	393
Utilities – Electricity, Water	27,339	25,535
Volunteer Reimbursements	52	75
	<u>2,352,592</u>	<u>2,515,100</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<u>40,272</u>	<u>43,940</u>

**Peppercorn Services Inc.**

ABN: 34 611 224 255

Peppercorn Place  
320 George Street  
WINDSOR NSW 2756

Tel: 02 4587 0222

Fax: 02 4587 0200

Email: [frontdesk@psinc.com.au](mailto:frontdesk@psinc.com.au)

[www.peppercornservices.com.au](http://www.peppercornservices.com.au)