

SMP Annual General Meeting

Date: Wednesday 27 October 2010

Time: 6.30 pm

Venue: SMP

18 Pakenham Street
FREMANTLE WA 6160

AGENDA

1. APOLOGIES
2. ADOPTION OF MINUTES OF PREVIOUS MEETING
3. MATTERS ARISING
4. CHAIRMAN'S REPORT
5. CHIEF EXECUTIVE OFFICER'S REPORT
6. FINANCIAL DIRECTOR'S REPORT
7. ELECTION OF AUDITORS
8. ELECTION OF THE BOARD AND CLIENT REPRESENTATIVE
9. ANY OTHER BUSINESS

Drinks and light refreshments to be served following the meeting

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OUR VISION

Global

A community that values and empowers all individuals

In the Market

To provide an exemplary service for people with a disability who require our specialised assistance to achieve their individual goals

Internally

To maintain optimum efficiency in the provision of service delivery

OUR MISSION

To work collaboratively with Respect, Professionalism and Responsibility in a way that assumes Equality, clarity in Communication and Honesty in achieving client and agency goals.

Board Directors 2009 - 2010

Name	Role
Kerry Barber	Board Director
Robert Benson	Chairman of the Board
Lynn Brown	Parent Board Director
Fitz Cass	Board Director
Kim Davis	Parent Board Director
John Griffiths	Financial Director
Andrew Hogan	Board Director
Elliott Norrish	Client Representative
Sonny Tan	Parent Board Director
Jill Zumach	Board Director

MANAGEMENT

John Green	Chief Executive Officer
Bob Draper	Corporate Services Manager
Valerie Gillian	Community Services Manager
Paul Marshall	Employment Manager

ADMINISTRATION/OFFICE

Pat Stubbs	Human Resources Officer
Julieanne Cook	Administration Officer/QA
Karen Green	Administration Officer/Reception
Mel Hughes	Accounts Assistant
Jenna Jones	Admin Officer/Accounts Assistant

EMPLOYMENT CONSULTANTS

Fiona Cherry/Telka Elliott	Senior Employment Programmer
Sarah Eamer	Employment Consultant
Stephenie Fielding	Employment Consultant
Liam McFadyen	Employment Consultant
Jeff Riddle	Employment Consultant
Vida Scott	Employment Consultant

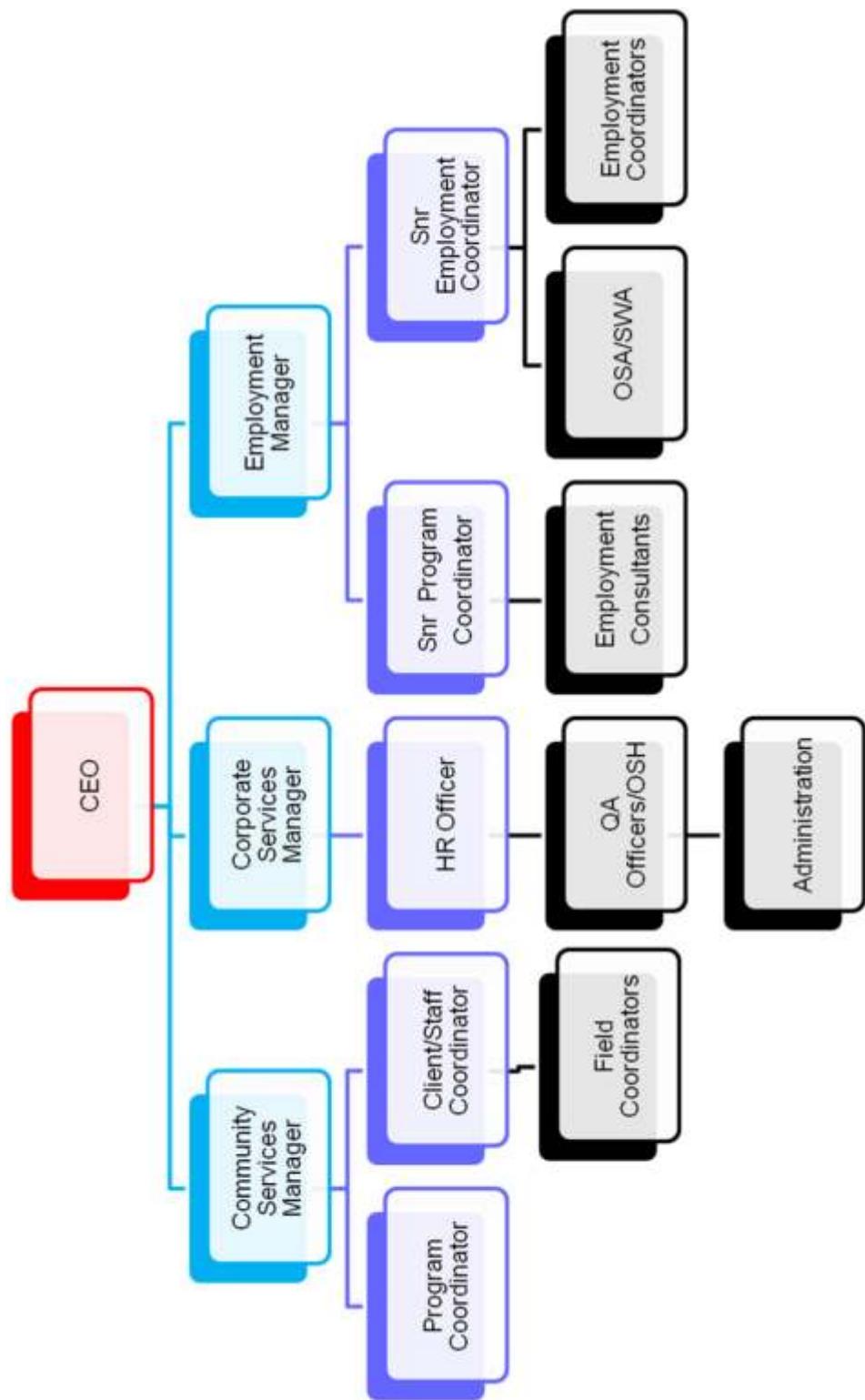
ATE FIELD COORDINATORS

Samantha Gallagher	Client/Staff Coordinator
Julie Power	Program Coordinator
Frances Barnett	Field Coordinator
Petra Bombeck	Field Coordinator
Alexandra D'Evelynes	Field Coordinator
Dean Evans	Field Coordinator
Paula McGairy	Field Coordinator
Peter McNamara	Field Coordinator
Patrice Mita	Field Coordinator
Candice Mullins	Field Coordinator
Lucy Renouf	Field Coordinator
Catherine Russell	Field Coordinator
Henrikke Savik	Field Coordinator
Susan Seville	Field Coordinator
Leanne Skewes	Field Coordinator
Deborah Stewart	Field Coordinator
Anitana Taipari	Field Coordinator
Tony Turk	Field Coordinator
Joanne VanDyk	Field Coordinator
Simon Workman	Field Coordinator
Ida Wray	Field Coordinator

EMPLOYMENT COORDINATORS

Jodie Morrall	Senior EC/OSA/SWA/QA
Geoff Armstrong	Employment Coordinator
Suzanne Burston	Employment Coordinator
Jodie Drane	Employment Coordinator
Simon Haydock	Employment Coordinator
Cassandra Lupton	Employment Coordinator
Tracey Moxham	Employment Coordinator
Ann Rennie	Employment Coordinator
Katherine Shepherd	Employment Coordinator
Adrian Walker	Employment Coordinator
Betty White	Employment Coordinator
Maurice Williamson	Employment Coordinator

South Metropolitan Personnel inc. (SMP Fremantle) Disability Services Standard 8 – Service Management





Reports



I welcome all in attendance here this evening and I am delighted to report that the 2009 – 2010 fiscal year was as successful a year as I have witnessed in the years I have been associated with South Metropolitan Personnel.

It needs mentioning that we left the 2008 – 2009 not as healthy financially as we would have hoped. However, a number of important things did in fact change in the organisation during this past fiscal year. John Green moved into the role as CEO for his first full year and took on the task to turn around our financial position, ably assisted by our Corporate Services Manager, Bob Draper. Between them they developed and implemented plans, which improved income and reduced expenditure. Management and staff were all involved in the formation of internal budgets and the Department Managers are owed congratulations for their financial constraint. So as a team the management and staff together have helped develop our healthy financial position. These figures can be seen in the annual report.

This year has not been without its trials. We have had a higher than usual turnover of staff, which is always disruptive. There are no specific reasons for this noticeable increase in turnover as there were a range of unrelated reasons.

There were a number of initiatives worthy of note this year; they will help to provide an outline of our staff members' attitude and commitment.

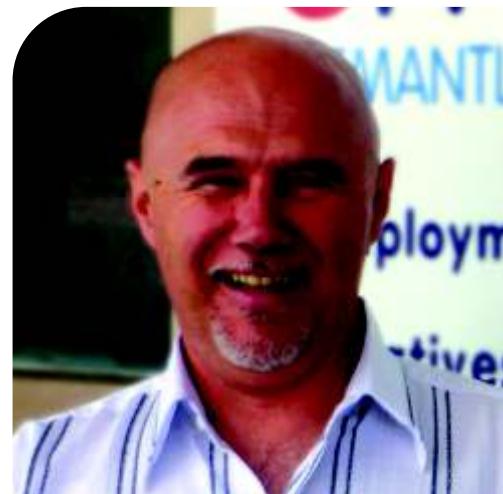
- This year SMP embarked on refurbishing and upgrading another old house, for use predominately with our ATE Clients. With the help of many people and huge support from Bunnings, the house is well on the way to completion. This is the second house leased to us by the City of Cockburn to be used for 'life skills' and possible respite home for clients.
- This past financial year also saw members of staff take a group of clients away on a camp for the weekend. The results of this weekend were so positive, that more camps are planned for the coming year.

In conclusion, I wish to thank the SMP management and staff for their extraordinary efforts over the past fiscal year and as a representative of the Board I heartily congratulate them on a job well done.


Robert Benson
Chairman

"I feel privileged to work with such a dedicated, innovative & hardworking group of professionals..."

In my sixteen years with SMP, which includes five years in the role of Chief Executive Officer, I cannot remember a time with so many achievements and challenges as in this previous twelve months. I am very proud of the way in which the managers and their teams have responded to these challenges and changes while maintaining and improving the quality service delivery that SMP prides itself on and is recognised for in the sector.



I feel privileged to work with such a dedicated, innovative and hardworking group of professionals. I believe that the strength of SMP lies in our personal, caring and flexible service delivery which is not always evident in larger companies. Formal and informal feedback from clients and families recognises these factors.

I am pleased to report that SMP's financial situation continues to improve. This is partly due to excellent budget management in every department and the restructure of the management team. This has enabled SMP to increase staffing levels to support the growth in the employment and the ATE programs. Some of the achievements for this year:

- Additional funding received from DEEWR due to the increase in business.
- Increase in ATE client numbers.
- Achievement of all Quality Assurance outcomes.
- Additional \$30,000 enabled IT upgrades.
- Finalist in Celebrating Rockingham Awards.
- Nominated for Disability Support Workers Awards
- Management restructure, streamlining service delivery.
- Growth and success of the volunteer programs in the community.
- SMP camps for clients.
- Achieving budget targets with an overall surplus of \$158384.
- An increase in overall client numbers to 350.

I would like to give my thanks to the SMP Board of Directors for their continued support and guidance. The commitment and availability of the chairman and board members is, as always, greatly appreciated in what has been a challenging but fruitful year.

I would like to take this opportunity to thank the funding bodies: the Department of Education, Employment and Workplace Relations and the Disability Services Commission.

SMP would like to thank Lotterywest as well for their support in funding the adaptations to our specialised vehicles.

On behalf of the clients and staff at SMP I would also like to thank all the businesses, local councils and state government departments who have assisted in creating employment and opportunities for work experience and volunteer programs. Your ongoing support really makes a difference in peoples' lives and is greatly appreciated.

My personal thanks go to the management and staff at SMP who deliver an excellent service to our clients every day. Thank you for the amazing way you work under trying circumstances at times. You inspire me to find ways to meet the challenges ahead so that SMP can maintain the reputation of being a client focussed organisation, endeavouring to make a difference to individuals and their families.

I believe that SMP is in a strong position now to move forward and that the changes made this year will be beneficial to all. I look forward to the coming year surrounded by an enthusiastic, energetic and professional team who will work together to achieve client goals.



John Green
Chief Executive Officer

Introduction - My name is Paul Marshall I have been employed with SMP since 1996 and worked in various roles including Employment Coordinator, Employment Consultant, Marketing Contracts Coordinator, Team Leader, Employment Contracts Manager and currently over past few months, taken up the new position as Employment Manager.

Over the past 12 months, many changes have taken place within the employment area, especially when the new DEEWR contract became operational on the 1st of March 2010. The changes are significant and ongoing for all staff who work in the Disability Employment Services sector. The changes to the contact have presented us with many challenges to meet our ongoing contractual obligations. All employment staff using the ESS computer system has been required to do intensive module training to meet the standards under our new contract arrangements with DEEWR.



The funding level process has also had many significant changes, now a client funding level is determined by an independent Ongoing Support Assessor. These assessors are contracted by DEEWR to determine a client's funding level. In some cases this has reduced the funding for clients, thus reducing the level of support a client can receive to maintain employment. SMP has also a contract with DEEWR to do Ongoing Support Assessment and Supported Wage Assessment which has given SMP another income stream.

During the financial period there have been structural changes to the employment area to meet the challenges ahead of us in the new world. Two employment staff have taken on senior roles. Fiona Cherry has been appointed Senior Employment Programmer (marketing) and Jodie Morrall Senior Employment Coordinator.

Also SMP has taken on ten new staff in employment. With these staff changes we have met all challenges and will continually provide an exemplary quality service to meet all client individual needs.

I like to take this opportunity to sincerely thank all employment staff for their hard work during this period. SMP has a very bright future ahead, thanks to the wonderful contribution of dedicated staff.

A handwritten signature in black ink, appearing to read "P. Marshall".

Paul Marshall
Employment Manager

Community Services Manager's Report



With the company restructure it was an excellent opportunity after four and a half years to change my job title to reflect the programs SMP lifeskills2work are providing to our clients. Therefore it was appropriate to change the title of Alternatives to Employment Manager to Community Services Manager. I believe this title better describes my department as it delivers a quality service to you, our most important asset and gives us the opportunity to further explore ideas and options in the community which include activities outside of work hours.

After analysing the needs of the Post School Options clients, who transitioned from school into the wider community during the end of November 2009, it became obvious that there was a large gap in the assistance offered to them. A vision of creating a program called INSTEP VOLUNTEERS was formed. This would enable those young adults to be involved in more meaningful activities rather than just the contemporary ones that have been offered through the Alternatives to Employment program. It was also observed that no matter how much the school system felt they had prepared the young person for life after the bell had rung, there was a real need to develop life skills and personal independence further to achieve outcomes. This would include employment, independent living skills and other important areas while developing and enhancing natural support networks outside of family, friends and paid support.

Some of the volunteer programs we have started are:

- Hi T – serving morning tea; to the community in aged care and by special request e.g. Local Area Coordinator meetings, Carers Week events
- Bunnings
- St Bernadette's Primary School – gardening crew (nominated for the Celebrating Rockingham Awards)
- Day Care Centre
- The Brightwater Group – clients at Rockingham and Subiaco
- The South Lake Ottey Family and Neighbourhood Centre – Community Kitchen, cooking and serving food at the community drop in centre.

Also SMP lifeskills2work have a large amount of clients that require personal care and one on one fulltime support that enable them to have a good quality of life and to be involved in meaningful activities that work towards breaking down barriers in the community.

The Alternatives to Employment and Post School Options staff consist of 20 Field Coordinators who are employed fulltime. The Field Coordinators support approximately 96 clients out in the community, assisting with, decision making and choice, (achieving/maintaining a sense of) valued status and social participation and integration. The staff have a diverse range of expertise in multiple areas of disability work which include experience with Acquired Brain Injury, Aged Care and Mental Health clients. All are conversant with cultural diversity and we are very fortunate to have some employees that are multi-lingual which is a great asset to our company and to our service delivery.

Some of the most enjoyable activities experienced by clients this year were:

Anzac Day

This was an opportunity for clients to integrate into the Rockingham community for which the majority of them live and come together with the patrons and members of the Port Kennedy RSL celebrating the day through social participation. The outcome was that the clients learned about Anzac Day many of whom had never been to a ceremony before.

Making a CD: SMP's Greatest Hits

Over a four week period the clients chose songs to rehearse and made a CD in a studio just like rock stars and professional singers. The outcome for many was the confidence to step out of their comfort zones and to experiment with their voices which some didn't know they had. There were no barriers created by their disabilities as they all had something to contribute.

Camps

SMP organised two camps that entailed overnight stays in Dwellingup and on Rottnest Island. This has been received well by families and we have had support with individual costs covered by clients and Local Area Coordinators. It has given SMP staff the opportunity to positively observe and learn about different sides of their clients, more so than what a day service alone offers. Please enjoy looking at the next couple of pages that show photos of the activities described above and also some good news outcomes for some of our Post School Options clients that have secured employment.



Valerie Gillian
Community Services Manager

Anzac Day 2010



Making a CD: SMP's Greatest Hits



Hi T



South Lake Ottey Centre



Here is SMP receiving their prize cheque of \$30,000 courtesy of Trend Micro



UWA Employment



Fairbridge Employment



Mandurah Soup Kitchen



St Bernadettes





Hi, my name is Kristy Allingham. I am 19 years old & I finished school at Malibu High School when I was 18 years old. I remember doing morning tea at a nursing home with Nicky. During my last year at school, a lady named Fran from SMP started picking me up on Thursdays & she would take me out to the shops and we did lots of other things. I liked going out with Fran. SMP also found me a job working at Fairbridge with SMP staff members Ida and Ann. At Fairbridge are Rebecca, Michael, Nathan, Tammy, Stephen, Nick & I have lots more. I am happy at Fairbridge and love getting paid! SMP also takes me out on Wednesdays on the ATE Program & on these days I go out & have fun. I like going on the bus, helping others & listening to ABBA music. SMP gave me a job & someone always cares for me. SMP is good.



Sonia Moorman started her association with SMP lifeskills2work while still at SETON Catholic College during her transition from school at the end of 2009. Sonia was able to come out with SMP one day a week during that transition period. Later Sonia started her Post School Options as part of her Alternatives to Employment in 2010.

Sonia has had an amazing journey into her adult life this year and has been involved with multiple activities as part of the Volunteer Instep Program. Some of Sonia's volunteering highlights have been with Hi T and Bunnings which have assisted her in achieving some personal independence outcomes. Other personal accomplishments for the year include Sonia learning to drive and passing her test so that she now has her driving licence. Also Sonia and her family were very excited to know that she was successful during her work trial at the Department of the Premier and Cabinet where she was supported by SMP employment staff. Sonia is now working there two days a week.

We are all very proud of you Sonia!

Acknowledgements

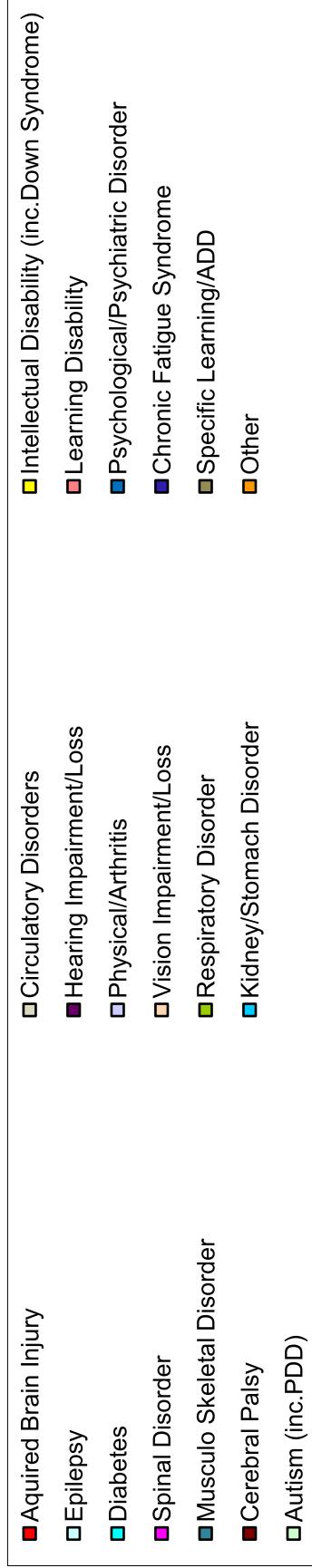
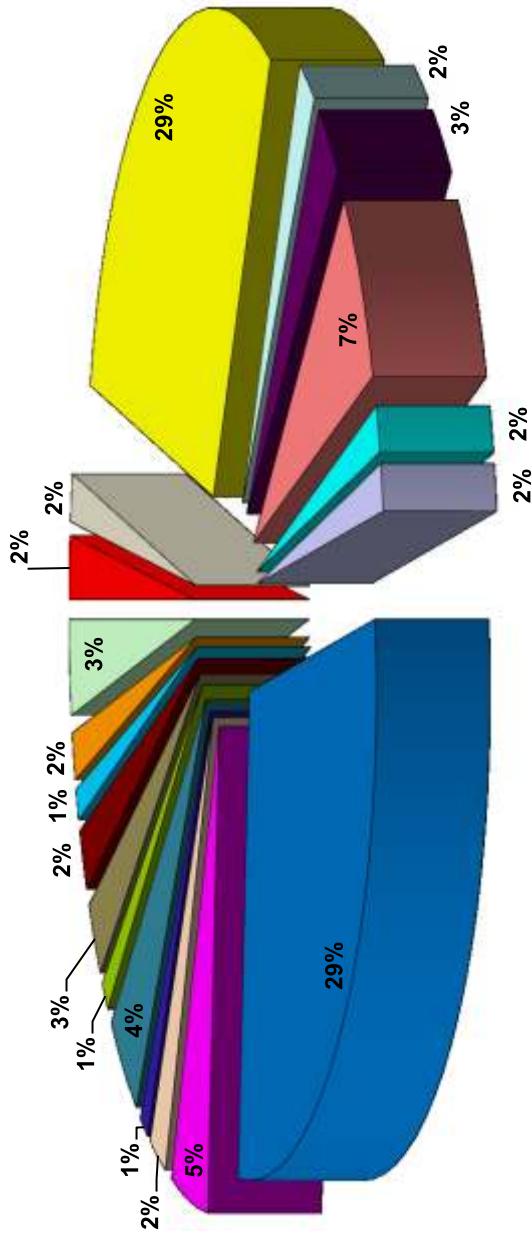


SMP would like to acknowledge the support of the following employers...

- Armadale Removals and Storage
- Arrix
- Ash Traffic
- Assured Tree Services
- Australian Steel Supplies
- Big W, Spearwood
- Blockbuster, Port Kennedy
- Bonney's WA Water Ski Park
- BRB Smash Repairs
- Bunnings, Bibra Lake
- Bunnings, Rockingham
- Bunnings, South Central
- City of Cockburn
- Cockburn City Soccer Club
- Cockburn Library
- Coles, Booragoon
- Coles, Meadow Springs
- Colli & Sons
- Dept. for Communities
- Dept. of the Premier & Cabinet (Office of the Director General)
- Fairbridge WA inc
- Fremantle Football Club
- Fremantle Leisure Centre
- IGA, Hilton
- Jarrah Select Pty Ltd
- June O'Connor Centre
- Lark Hill Race Course
- Melville Cares inc
- Melville Toyota
- Perth Home Care Services
- Refresh Waters Pty Ltd
- Robowash
- Seaside Pets
- Starpac Corp. Pty Ltd
- Supercheap Autos
- Swarbrick & Swarbrick Yachts
- Target, Fremantle
- The Bethanie Group Aged Care
- The Cruising Yacht Club of WA
- The Greens Party
- The Merchant Tea & Coffee Co.
- Titan Plant Hire
- UWA Business School
- UWA Economics & Commerce
- UWA –Faculty of Architecture and Landscape
- UWA Life & Physical Science
- UWA Plant Biology
- UWA—iomedical, Biomolecular & Chemical Sciences
- UWA Human Resources
- Woolworths Mandurah
- Woolworths Riverton

Thank you!

Breakdown of Disabilities of SMP DEEWR funded clients as at 11October 2010



**Breakdown of Disabilities of
SMP DEEWR Funded Clients
as at 11 October 2010**

FINANCIAL DIRECTOR'S REPORT

2009/2010 has produced another excellent result with SMP ending the year with an operating surplus of \$128144 and an overall surplus of \$158384.

Financial Summary

- Operating income has increased from \$2.7m in 2008/2009 to \$3.1m in 2009/2010
- Operating surplus before depreciation and amortisation has increased from \$14752 in 2008/2009 to \$128144 in 2009/2010. Just two years ago SMP recorded an operating deficit of \$161174.
- Cash in the bank and on hand at the end of 2008/2009 was \$124042. At the end of June 2010 it was \$298604
- Net assets increased from \$800426 in 2008/2009 to \$865160 at the end of 2009/2010

Two years ago, SMP in order to improve liquidity, made a decision to purchase approximately 50% of its motor vehicle through chattel mortgage. The deal, involves the purchase of the vehicles through a 12 months contract with a guaranteed buyback after 15000 kilometres or 12 months, whichever comes first.

This is a good arrangement with little or no risk and has freed up funds previously tied up in motor vehicles purchased for cash.

As a board member and the one mainly responsible for the finances of SMP, I am comfortable with the financial direction the organisation is taking. I would like to thank the management and staff of SMP for another good financial result in 2009/2010.



JOHN GRIFFITHS
FINANCIAL DIRECTOR

SOUTH METROPOLITAN PERSONNEL INC.
STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 10:

1. Presents a true and fair view of the financial position of South Metropolitan Personnel Inc. as at 30 June 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that South Metropolitan Personnel Inc. will be able to pay its debts as and when they fall due.

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

President..... *H. Binsan*

Treasurer..... *Arthur John Gifford*

Dated this *5th* day of *October* 2010

SOUTH METROPOLITAN PERSONNEL INC.
BALANCE SHEET
AS AT 30TH JUNE 2010

	Note	2009/2010 \$	2008/2009 \$
CURRENT ASSETS			
Cash at bank and in hand	3	298,604	124,992
Receivables	4	37,823	55,059
Investments	5	0	0
Total current assets		<u>336,427</u>	<u>180,051</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	1,524,491	1,351,466
Trade Marks	6	0	900
Total non-current assets		<u>1,524,491</u>	<u>1,352,366</u>
TOTAL ASSETS		<u>1,860,918</u>	<u>1,532,417</u>
CURRENT LIABILITIES			
Creditors and borrowings	9	348,287	537,374
Provisions	10	169,199	150,561
Total current liabilities		<u>517,486</u>	<u>687,935</u>
NON-CURRENT LIABILITIES			
Creditors and borrowings	9	448,183	390,917
Provisions	10	30,089	44,056
Total non-current liabilities		<u>478,272</u>	<u>434,973</u>
TOTAL LIABILITIES		<u>995,758</u>	<u>731,991</u>
NET ASSETS		<u>865,160</u>	<u>800,426</u>
MEMBERS' EQUITY			
Retained profits	11	865,160	706,776
Special Purpose Reserve	11	0	93,650
TOTAL MEMBERS' EQUITY		<u>865,160</u>	<u>800,426</u>

The accompanying notes form an integral part of these financial statements.

SOUTH METROPOLITAN PERSONNEL INC.
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2010

	Note	2009/2010 \$	2008/2009 \$
Operating Profit (Loss)	13	153,384	385,855
Income tax attributable to operating profit	1(c)	0	0
Operating profit (loss) after income tax		<u>153,384</u>	<u>385,855</u>
Retained profit at the beginning of the period		706,776	320,921
Adjustment to loss for 2006-2007			
Operating Profit (Loss) for the year		158,384	385,855
Retained profits at the end of the financial year		<u>865,160</u>	<u>706,776</u>

The accompanying notes form an integral part of these financial statements.

SOUTH METROPOLITAN PERSONNEL INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Association Incorporation Act of Western Australia. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act of Western Australia and the following Australian Accounting Standards:

- AAS 3 Accounting for Income Tax
- AAS 5 Materiality
- AAS 8 Events Occurring After Reporting Date

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

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

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Fixed Assets

Motor Vehicles, computers and equipment are depreciated at rates based upon their expected useful lives using the straight-line method.

Hire Purchased Assets

Assets of South Metropolitan Personnel Inc. acquired under Hire Purchase agreements are capitalised. The initial amount of the hire purchase asset and corresponding hire purchase liability are recorded at their historical cost. Hire purchase assets are depreciated using the same percentage used for all other assets.

SOUTH METROPOLITAN PERSONNEL INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2. SUPERANNUATION COMMITMENTS

The Association maintained a superannuation scheme covering substantially all of its employees. The Association has a legal obligation to contribute to a scheme and the amount paid on behalf of the employees in 2008/2009 was 9% of gross salary

NOTE 3. CASH AT BANK AND IN HAND	2009/2010	2008/2009
	\$	\$
Cash at Bank - National Australia Bank	296,954	124,042
Petty Cash	1,650	950
 Total Cash at Bank and in hand	<u>298,604</u>	<u>124,992</u>

NOTE 4. RECEIVABLES	2009/2010	2008/2009
	\$	\$
Trade Debtors	20,390	20,695
Accrued Income and Prepayments	17,433	34,364
 Total Receivables	<u>37,823</u>	<u>55,059</u>

NOTE 5. INVESTMENTS	2009/2010	2008/2009
	\$	\$
Term Deposit	0	0
 Total Investments	0	0

NOTE 6. INTANGIBLES	2009/2010	2008/2009
	\$	\$
Trade Mark – Gum Busters	0	900
 Total Intangibles	0	900

SOUTH METROPOLITAN PERSONNEL INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 7. PROPERTY, PLANT AND EQUIPMENT	2009/2010	2008/2009
	\$	\$
Motor Vehicles, at cost (a)	1,200,129	999,411
Less: accumulated depreciation	-89,114	77,234
	<hr/>	<hr/>
Motor Vehicles less depreciation	1,111,015	922,177
Computer Equipment, at cost (a)	74,780	51,647
Less: accumulated depreciation	-47,894	26,850
	<hr/>	<hr/>
Computer Equipment less depreciation	26,886	24,797
Furniture & Fittings, at cost (a)	62,332	62,332
Less: accumulated depreciation	-7,393	1,264
	<hr/>	<hr/>
Furniture less depreciation	54,939	61,068
Other Equipment, at cost (a)	93,306	91,900
Less: accumulated depreciation	-33,865	-27,711
	<hr/>	<hr/>
Other Equipment less depreciation	59,441	64,189
Lease Improvements, at cost (a)	280,991	280,991
Less: accumulated depreciation	-8,781	-1,756
	<hr/>	<hr/>
Lease Improvements less depreciation	272,210	279,235
	<hr/>	<hr/>
Total fixed assets	1,524,491	1,351,466

NOTE 8. ECONOMIC DEPENDENCY

South Metropolitan Personnel Inc. received significant grants from the State and Federal Governments of Australia. If these were not received the Association would find it difficult to maintain the current level of services

SOUTH METROPOLITAN PERSONNEL INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 9. CREDITORS AND BORROWINGS	2009/2010	2008/2009
	\$	\$
Current		
Secured :		
Chattel mortgages St George Finance Ltd	492,402	417,278
Less Unexpired charges	-44,183	-26,361
Total Secured	<u>448,183</u>	<u>390,917</u>
Unsecured :		
Trade creditors and accruals	278,175	26,061
Other creditors (including GST owed to ATO)	<u>207,286</u>	<u>120,396</u>
Total Unsecured	<u>348,286</u>	<u>146,457</u>
Total current creditors and borrowings	<u>796,469</u>	<u>537,374</u>
NOTE 10. PROVISIONS	2009/2010	2008/2009
	\$	\$
Current		
Long service leave	65,000	54,502
Annual leave	<u>98,763</u>	<u>96,059</u>
Total current provisions	<u>169,199</u>	<u>150,561</u>
Non-current		
Long service leave	<u>30,089</u>	<u>44,056</u>
Total non-current provisions	<u>30,089</u>	<u>44,056</u>

SOUTH METROPOLITAN PERSONNEL INC.
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 11. RESERVES

Special Purpose Reserve	2009/2010	2008/2009
	\$	\$
Opening balance	93,650	93,650
Transfer to Retained Profits	-93,650	0
Transfer from Retained Profits	0	0
<hr/>		
Closing balance	,0	93,650

Retained Profits	2009/2010	2008/2009
	\$	\$
Opening Balance	706,776	320,921
	<hr/>	<hr/>
Retained profit for the year	706,776	320,921
	<hr/>	<hr/>
Closing balance	865,160	706,776

NOTE 12. CONTINGENT LIABILITIES

Under the terms of various Commonwealth Government grants provided to the Association, the Commonwealth Government is entitled to a refund of the grants in the event of the disposal of the asset to which the grant relates, or it is entitled to an equity interest in the associated asset, and accordingly would be entitled to its equity proceeds in the event of sale of the asset. Therefore, there exists a contingent liability to the Commonwealth Government, which may become an actual liability if any assets in which the Commonwealth Government has an interest were sold.

NOTE 13. INCOME AND EXPENDITURE STATEMENT

INCOME	Note	2009/2010	2008/2009
Income – Operational Grants (Recurrent)		\$	\$
Department of Employment and Workplace Relations		1,505,848	1,417,207
Disability Services Commission		1,394,351	1,126,985
Income operational grants (Recurrent)		2,900,199	2,544,192
Income – Other			
Transport Levy Vouchers		59,089	38,562
Car Wash		18,750	19,476
Vehicle usage fees		70,355	57,877
Wood Products		11,941	11,941
Other fees and charges (Salary sacrifice fees, Workers comp)		41,265	39,412
Fee for service		46,079	46,610
Interest received		1,073	1,969
Profit (Loss) on sale of motor vehicles		(10,916)	(37,682)
Total income other		235,280	178,165
Total Income		3,135,479	2,722,357
EXPENDITURE			
Operating Expenditure			
Staffing costs		2,363,652	2,138,393
Vehicle running expenses		272,269	268,652
Marketing expenses		12,536	11,435
Individual Focus		12,294	4,580
Administration expenses		110,560	82,344
Office expenses		179,858	156,071
Audit fees. General and QA		8,852	6,704
Special insurances		11,000	10,500
Membership		9,008	7,729
Contracting		16,176	12,876
Sundry expenses		11,130	8,321
Total operating expenditure		3,007,335	2,707,605
Operating Surplus/Deficit before depreciation and amortisation		128,144	14,752
Depreciation and amortisation		(191,530)	(165,666)
Operating Surplus/(Deficit) after depreciation		(63,386)	(150,914)
Add: Capital grants - Recurrent			
Disability Services Commission		97,915	135,855
Lotteries Commission		30,205	27,202
Add: Capital grants – Non recurrent			
Lotteries Commission			373,712
Clearing old reserves See note 11		93,650	
Total Surplus/(Deficit) for the year	16 (b)	158,384	385,855

NOTE 14 (a). STATEMENT OF CASH FLOWS	Note	2009/2010 \$	2008/2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received			
Department Employment and Workplace Relations		1,505,848	1,555,228
Disability Services Commission		1,394,351	1,245,437
Disability Services Commission - Capital Grants		97,915	178,927
Lotteries Commission and training grants		30,205	415,121
Grants received in advance		95,000	
Total Grants Received		3,123,319	3,394,713
Other income received			
Transport Levy Vouchers		59,089	38,562
Interest received		1,073	2,053
Receipts from trade customers and clients		28,335	66,542
Receipts from vehicle usage fees		70,355	57,877
Other Income		76,428	161,248
Total Income Received		3,358,599	3,720,995
Expenses paid			
Staff salaries and associated costs		(2,169,164)	(2,099,828)
Vehicle running costs		(272,269)	(306,470)
Marketing Costs		(12,536)	(12,479)
Client specific costs		(12,294)	(4,580)
Administration costs		(110,560)	(90,337)
Office running costs		(179,858)	(171,678)
Sundry costs		(61,166)	(148,429)
GST & FBT remitted to Australian Taxation Office		(228,946)	(184,007)
Total expenditure		(3,046,793)	(3,017,808)
Net cash provided by operating activities	16 (b)	311,806	703,187
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from sale of motor vehicles, plant & equipment		809,903	1,139,511
Payment for motor vehicles, plant and equipment		947,147	(1,819,663)
Net cash used in investing activities		(137,244)	(680,152)
Net increase/-decrease in cash held		174,562	23,035
Cash at beginning of financial year		124,042	101,007
Cash at end of financial year		298,604	124,042

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SOUTH METROPOLITAN PERSONNEL INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of South Metropolitan Personnel Inc., which comprises the assets and liabilities statement as at 30 June 2010 for the year then ended, the income and expenditure statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Associations Incorporations Act (Western Australia) 1987* and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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 committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Associations Incorporations Act (Western Australia) 1987*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
SOUTH METROPOLITAN PERSONNEL INC.

Independence

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

Auditor's Opinion

In our opinion, the financial report of South Metropolitan Personnel Inc present fairly, in all material respects the financial position of South Metropolitan Personnel Inc, as at 30 June 2010 and of its financial performance for the year then ended in accordance with accounting policies described in Note 1 to the financial statements, and *Associations Incorporations Act (Western Australia) 1987*.

Francis A Jones Pty Ltd



MARIO NATALE CATTALINI CPA
REGISTERED COMPANY AUDITOR
154 HIGH STREET
FREMANTLE WA 6160

Dated this 21 day of September 2010

