GELLIBRAND SUPPORT

SERVICES INC.

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2011

ABN 16 025 675 584

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GELLIBRAND SUPPORT SERVICES
ABN: 16 025 675 584

ORGANISATION PARTICULARS

Committee of Management Members:	M Siles (President) M Burbidge (Vice President) R Kukk (Treasurer) A Shanley (Assistant Treasurer) P Hamilton (Secretary) M Cross M Archibald M Neufeld
Secretary:	P Hamilton
Chief Executive Officer	M Hoyle
Senior Executives:	Finance and Maintenance - E Samman Resource Officer - J Vo Service Site Support Officer - M Given
Principal Registered Office in Australia:	24 Withers Street Sunshine Victoria 3020 (03) 9300 5400
Auditors:	Michael Kiernan & Associates
Bankers:	Westpac Bank 70 Ferguson Street Williamstown 3016
Website address:	www.gellibrand.org.au

GELLIBRAND SUPPORT SERVICES
ABN: 16 025 675 584

COMMITTEE OF MANAGEMENT REPORT

The Committee of Management present their report on Gellibrand Support Services (Gellibrand) for the financial year ended 30 June 2011.

COMMITTEE OF MANAGEMENT MEMBERS

The names of Committee of Management Members in office during the financial year and up to the date of this report are:

Mr M Siles	Mr R Kukk	Ms P Hamilton
Ms M Burbridge	Ms A Shanley	Mr M Neufeld
Ms M Cross	Ms M Archibald	

PRINCIPAL ACTIVITIES

The principal activity of Gellibrand during the financial year was:

- the provision of residential care for adults with disabilities to pursue a quality of life and dignified lifestyle choices available in the general community.

There were no significant changes in the principal activities of Gellibrand during the financial year.

REVIEW OF FINANCIAL POSITION

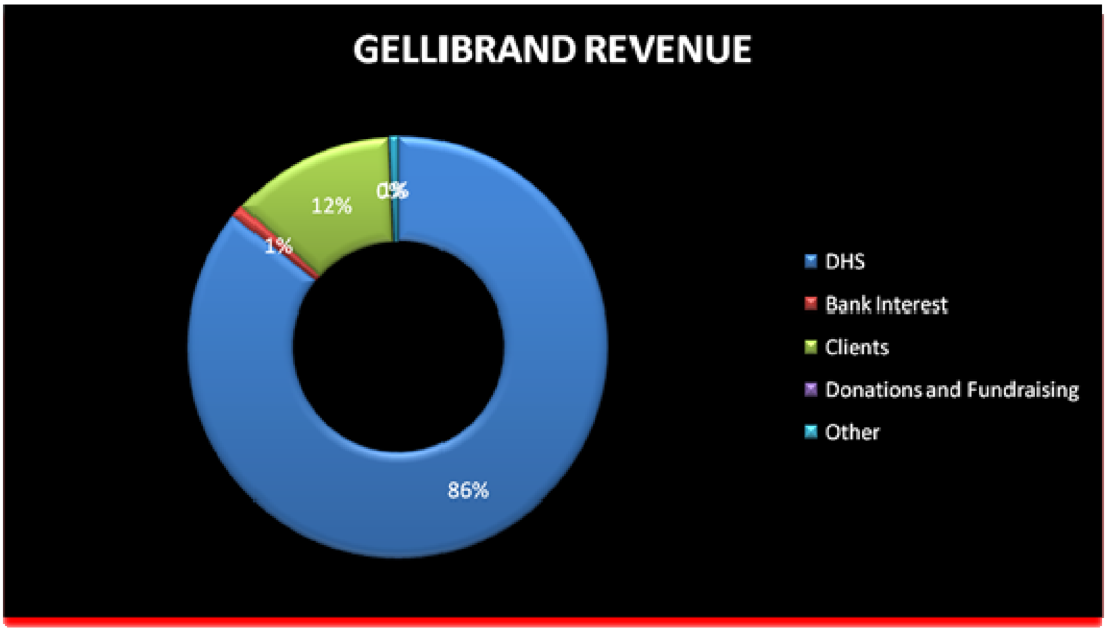
TREASURER'S REPORT

Financial Performance – Overview for 2010/2011

Gellibrand Support Services Inc. (Gellibrand) reported a loss of $164,757 for the financial year 2010/2011, compared to the previous year loss of $20,966. This was a disappointing result and reflects a difficult operating year for Gellibrand. We continue to strive towards financial break-even, however the current position clearly reflects the unsustainability of current levels of service funding, particularly for the Hanmer St. property in Williamstown. This property is the only one funded under the old "21 hour model" and Gellibrand incurs additional costs of $80,000 per annum to operate this house. The Department of Human Services (DHS) and Gellibrand have been in negotiations; however this situation remains unresolved in the short term, as the "21 hour model" is a statewide issue, affecting some 43 sites. Government funding remains critical to Gellibrand's operation, and we recognize and greatly appreciate the ongoing funding support received from DHS.

DHS remains Gellibrand's major source of funding representing 85.7% of total revenue (85.7% in 2010). The ongoing viability of our organization continues to be highly sensitive to movement in Government funding and wage costs. Employee expenses amount to 76% of total expenses and have increased by $254,921 over the previous year. The primary drivers for Gellibrand are to meet the current and future needs of our clients and to ensure our financial long term viability. Gellibrand's bottom line results will remain heavily dependent on Government funding, fund raising activities and investment income. We will continue to seek alternative funding sources to assist with capital expense programs.

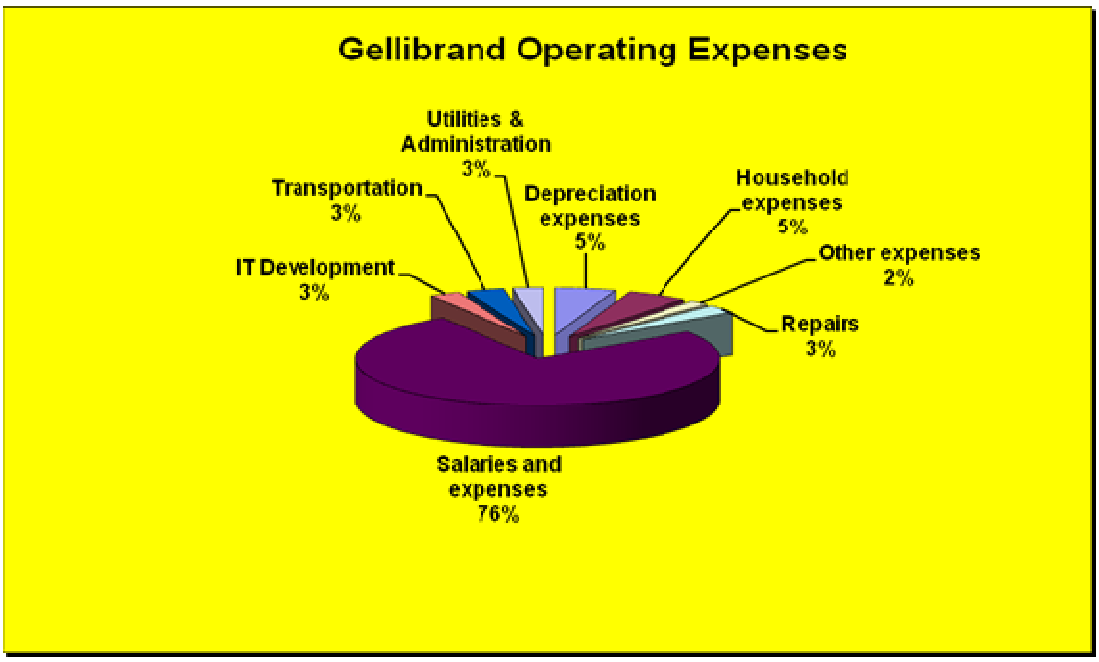
Revenue for the year increased by $305,334 or 7.7%, over the previous year. A breakdown of revenue is shown in the graph below.



The Balance Sheet position as at 30 June 2011 remains solid with total equity of $1.1 million and $738,000 in cash or cash equivalents, most of which is committed to specific operational and capital improvement projects. Gellibrand's working capital ratio of 1.1 a drop on the previous year of 1.3 reflects our ability to meet short term commitments. Gellibrand's reserves of $190,000 are committed to the capital costs for the new house at Honey Grove.

Major factors affecting Gellibrand's operating loss of $164,757 were salary costs, which increased by $251,104 or 8.2% over the previous year, reflecting additional salary expenses incurred in supporting individual client support packages, the training of four new team leaders and supporting older clients at home who no longer wish to attend day placements. There were substantial cost increases in IT development and professional fees of $69,641, and administration of $31,049. Gellibrand also undertook a major upgrade of its computer server at a cost of $63,800. Significant investments have been made in recent years in new technologies to enable staff to operate more effectively in an ever changing environment.

A breakdown of Gellibrand's major operating expenses is shown in the graph below.



Gellibrand's new house at Honey Grove is nearing completion and is expected to open in December, 2011. The house was built by the Office of Housing on behalf of DHS and will accommodate 6 long term residents. Gellibrand will have shared equity in the premises and will contribute up to $270,000 towards the capital cost of the site. Gellibrand has actively sought funds from philanthropic organizations to support the Honey Grove site and acknowledges Perpetual Trustees $95,000, Helen McPherson Trust $25,000, Collier Foundation $15,000 and the Lord Mayor's Fund $7,000 for their generous contributions.

The Committee of Management and Gellibrand Management continue to review and implement strategies to better position the organization for future tender opportunities.

The Committee of Management continues to review its corporate governance policies and procedures to ensure it fulfils its obligations and to meet client and community expectations. The Committee guides and monitors the business affairs of the organization, sets policies, strategic direction and the annual budget.

During the year, I have worked closely with the Finance and Business sub committee. This committee is responsible for monitoring Gellibrand's financial performance, enhancing financial reporting and developing business strategies. These strategies consist of strengthening existing business through operating excellence and satisfying client needs, securing growth opportunities through entrepreneurial initiatives, and ensuring sustainability through responsible long term management.

Gellibrand's Finance Team together with team leaders and staff, have worked hard to manage and monitor the financial performance of the organization in a changing and challenging environment. I would like to thank Mr. Des O'Shea for his efforts over the past five years as the Finance and Maintenance Officer who now embarks on his new role as a Team Leader for Gellibrand.

On behalf of the clients of Gellibrand, I would like to take this opportunity to thank the Committee of Management, Gellibrand Management and Team Members for their continued commitment, dedication and professionalism and acknowledge their tremendous efforts over the past 12 months.

Ray Kukk

Treasurer

PRESIDENT'S REPORT

It is with much pleasure that I present my 2011 Annual Report for Gellibrand Support Services Inc.

2011 financial year imposed significant financial challenges as Gellibrand strived to operate within its funding limitations whilst providing optimum service to our clients.

Nevertheless, Gellibrand continued to build on best practice in its operations and to consolidate its existing business footprint. Gellibrand's current growth phase is also nearing fruition. The new COAG house in Honey Grove St Albans, to be run by Gellibrand, has been built. Six new clients (capacity) have been identified to reside at those premises and, following the formal signing off phase, the house should be open before Christmas 2011.

Gellibrand continues to place increasing emphasis on Individual Support Packages (ISP). This program, which is now receiving more focus from government bodies, fits in well with Gellibrand's philosophy of concentrating on individual needs and development potential. Additional clients have come on board and good outcomes are being achieved. Gellibrand plans to further expand operations in this program.

The Gellibrand governance Committee continues to keep itself up to date with changing legal and social frameworks within the disability sector. In particular the introduction of the National Disability Insurance Scheme, to begin in 2014, will require all providers to varying extents to embrace the core ideals of the new Scheme and focus on client choice of activity, accommodation and service provider. This should be to Gellibrand's advantage as client choice is already the cornerstone of our philosophy.

Gellibrand must now market its approach effectively so that it not only maintains its current client base, but also attracts many more new clients for the future.

The Quality and Finance & Business sub-committees continue to work effectively in all the areas identified in Gellibrand's Strategic Plan, which are client service quality, team member effectiveness, strong relationships with new and current partners in the disability field, innovation and growth opportunities and robust financial and organization systems.

The Committee also continues to actively embrace increased Occupational Health and Safety and risk management responsibilities.

I would like to thank all Committee members for their commitment to Gellibrand throughout the year.

The Gellibrand Community Group (GCG) continues to be a great way for the clients to express their views, which are of course central to any client orientated organization such as ours. I also thank the members of this group who, as I have seen first-hand, take their responsibilities very seriously.

I would also like to thank the management team for ensuring that the people Gellibrand supports continue to have the best opportunities available and live in well maintained, comfortable and safe homes.

I take this opportunity to wish everyone associated with Gellibrand the compliments of the season and look forward to taking advantage of new and fresh opportunities in the near future that may in any way further assist the quality of life of Gellibrand's clients.

Mario Siles

President

CHIEF EXECUTIVE OFFICER'S REPORT

The financial year 2010 - 2011 has been a sobering year financially, with many factors coming into play in relation to the financial loss Gellibrand has made. To add to that, we have lost three clients who have been a valued part of the Gellibrand "family". However, on a positive note, there have been areas of service that improved and overall Gellibrand has continued to move forward.

Lorna and Ernie had been with Gellibrand for a long time, both big personalities, well known in the organisation. Greg, while a member of the Gellibrand community for a shorter time, none-the-less had a significant impact on those who supported him. All three will be missed. However, it has been very positive when looking back on the years that have gone by, and when chatting with the families, that we can clearly identify the positive experiences that each had at Gellibrand, and the clear quality of life achieved. It is wonderful to be able to be part of an organisation where the team members are so dedicated to great client outcomes, and together with families, external organisations, and other individuals in the community, work together for the good of those we work with.

Unfortunately however, the financial year 2010 - 2011 has been dominated by financial pressures. One of the significant factors has been, and will continue to be, that the Department have made it clear that they are not able to fulfil the commitment made several years ago in relation to the issue of out-dated funding at Hanmer Street. With this issue now clear to continue for the coming year, the site will unfortunately need to adjust its services to more closely reflect the available funding. We believe however that despite the challenges to be faced financially across-the-board, we will return a balanced budget in the upcoming year at an organisational level.

At both an administrative level and service delivery level, we have been working this year towards quality accreditation. This will bring clear benefits to the organisation in continuing to improve our quality of service, and with that, we hope to achieve the “5 ticks” of quality assurance. This will let everyone know what we already know, that we provide a quality service that we are proud of, and that we are a service provider that can be relied on in both systems and support.

The last time Gellibrand opened a new house was 10 years ago, so it is with both trepidation and great enthusiasm that we look to opening a new house; a house that Gellibrand tendered successfully for as part of the *my future my choice* initiative. The house is purpose built in design to support people with neurological conditions, acquired brain injury or physical disability. This initiative has a core objective of ensuring people who may in the past have been in nursing homes, now having the option of community living, living with people that are not of retirement age or older. We are very motivated to ensure this initiative is successful, as it represents such an important area of disability, long ignored. We are positive that we will be able to achieve good outcomes for all concerned, and look forward to building new relationships with those moving into the house, and all related stakeholders.

In the coming year we are also looking to expand our community services area, focussed specifically around Individual Support Packages, (ISP). We would like to develop this service further, building on the good work done already, as this is an important area that many families rely on in relation to both skills building, and supporting the family to stay together in a positive way. We are hoping to build this service to create a network of support for those in the ISP program, to create both peer supports, and improve our knowledge and understanding of community supports available for those that are in receipt of an ISP package.

I would like to thank everyone who chooses Gellibrand as their service provider, and all that have worked so hard in the last year to work positively with those we support, at a team member level, a manager level, or at a committee level. I also express my appreciation to all families and professionals that support Gellibrand, in so many ways. Thanks to all for assisting the organisation through a challenging year. We look forward to a productive and positive 2011 – 2012 year.

Matthew Hoyle

Chief Executive Officer

REVIEW OF ACTIVITIES

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

Gellibrand meets the requirements of the *Occupational Health and Safety Act 2004*, associated regulations and all relevant Victorian regulations.

(a) OH&S Policy

Gellibrand is committed to ensuring the safety of all employees and personnel entering its work sites and has an occupational health and safety policy in place that has been developed in consultation with staff.

(b) OH&S Agreement

An OH&S agreement that has been endorsed by management and staff for managing OH&S in the workplace; it covers issues such as consultative arrangements and dispute resolution procedures.

(c) Inductions

All employees, visitors and contractors are provided with safety inductions, to ensure their safety while working on Gellibrand premises.

(d) Safety Management System

The OH&S management system for Gellibrand is modelled on the Australian standard AS 4801, where a hazard and risk based approach is used to identify existing or potential hazards and implement control measures.

Training programs ensure that all staff are competent to carry out their duties without the risk of injury to themselves or fellow workers.

(e) Accidents and Incidents

All workplace incidents and accidents are recorded and corrective and preventive measures implemented to avoid a recurrence.

Gellibrand had no reportable accidents within the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no matters or circumstances that have arisen since 30 June 2011 that have significantly affected, or may significantly affect, the results of Gellibrand in future financial years.

RISK MANAGEMENT

Gellibrand takes a proactive approach to risk management and reports regularly to the Gellibrand Committee of Management.

INFORMATION ON OFFICE HOLDERS

	Experience	Special Responsibilities
Mr M Siles	Committee of Management Member of Gellibrand for 12 years	President
Ms M Burbidge	Committee of Management Member of Gellibrand for 27 years	Vice President
Mr R Kukk	Committee of Management Member of Gellibrand for 6 years	Treasurer
Ms A Shanley	Committee of Management Member of Gellibrand for 7 years	Assistant Treasurer
Ms P Hamilton	Committee of Management Member of Gellibrand for 4 years	Secretary
Ms M Cross	Committee of Management Member of Gellibrand for 12 years	
Mr M Neufeld	Committee of Management Member of Gellibrand for 4 years	
Ms M Archibald	Committee of Management Member of Gellibrand for 4 years	

COMPANY SECRETARY

The company secretary for Gellibrand is Ms P Hamilton who was appointed to the position in 2008.

COMMITTEE OF MANAGEMENT BENEFITS

No Committee of Management Member has received or become entitled to receive during or since the financial year, a benefit because of a contract made by Gellibrand, a controlled body or a related body corporate with a Committee of Management Member, a firm of which a Committee of Management Member is a member or an entity in which a Committee of Management Member has a substantial financial interest.

INSURANCE OF OFFICERS

Insurance cover for Committee of Management Members, secretary and executive officers of the organisation against loss arising from claims made against the officers jointly or severally in their capacity as officers of the organisation are covered under a policy provided by the Department of Human Services for non government organisations directly funded by the Department.

COMMITTEE OF MANAGEMENT MEETINGS

The number of Committee of Management meetings and number of meetings attended by each of the Committee of Management Members of the organisation during the financial year were:

	Committee of Management Meetings		Finance Subcommittee	
Committee of Management Members	A	B	A	B
Mr M Siles	3	5	3	7
Ms M Burbidge	5	5		
Mr R Kukk	4	5	5	7
Ms A Shanley	3	5	7	7
Ms P Hamilton	3	5	5	7
Ms M Cross	4	5		
Mr M Neufeld	4	5	3	7
Ms M Archibald	5	5	5	7

A - Number of meetings attended.
B - The number of meetings held during the time the Committee of Management Member held office during the financial year.

AUDIT COMMITTEE

It is the responsibility of the Committee of Management of Gellibrand to ensure that an effective internal control framework exists. This includes internal controls to deal with significant business processes, compliance with statutory and regulatory requirements, the safe-guarding of assets and the maintenance of proper accounting records.

REMUNERATION COMMITTEE

The Committee of Management sets the remuneration packages and policies applicable to the Chief Executive Officer and the Chief Executive Officer sets the remuneration for senior executives.

CORPORATE GOVERNANCE

The Committee of Management has determined that the size and scope of the organisation were such that the whole Committee of Management would determine and review Corporate Governance standards and issues. Day to day management of the affairs of Gellibrand and the implementation of corporate strategy and policy initiatives are delegated by the Committee of Management to the Chief Executive and senior executives. The Committee of Management provides strategic guidance to the organisation including contributing to the development of and approving the corporate strategy.

The Committee of Management also reviews and approves business plans, the annual budget and financial plans including major capital expenditure initiatives.

The Committee of Management monitors the financial performance of Gellibrand including the approval of the annual financial reports.

The Committee of Management also oversees compliance and risk management systems, and ensures that controls are operating efficiently and effectively in all material respects.

AUDITOR

The audit of Gellibrand is conducted by Michael Kiernan & Associates.

A copy of the auditor’s independence declaration and audit report is set out on pages 27 and 28.

ROUNDING OF AMOUNTS

Gellibrand is an organisation not of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Committee of Management report and financial statements. Amounts in the financial statements and Committee of Management report have been shown to the nearest dollar in accordance with that Class Order.

Signed in accordance with a resolution of the Committee of Management:

Director ....
M Siles

Director ....
R Kukk

Date 7th November 2011

GELLIBRAND SUPPORT SERVICES
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 $	2010 $
Revenue from Operating Activities			
DHS Grants		3,516,697	3,299,832
Grants From Previous Year		36,271	96,962
Reimbursements		20,240	11,467
Client Fees		538,177	511,630
Donations		2,447	13,575
Brokerage		22,817	982
Grants for Special Purposes		79,828	0
Training Income		4,618	210
Fundraising		0	1,800
Total Revenue from Operating Activities		**4,221,095**	**3,936,458**
Revenue from Non Operating Activities			
Interest Received		42,791	21,201
Profit/Loss on sale of Asset		3,620	4,513
Total revenue from non operating activities		**46,411**	**25,714**
Total Revenue	2	**4,267,506**	**3,962,172**
Expenditure			
Administration		113,328	82,279
Depreciation- Buildings		70,873	70,753
Depreciation- Computers		45,452	31,119
Depreciation- Furniture & Fittings		12,891	10,792
Depreciation- Motor Vehicles		107,166	95,148
Insurance		5,245	4,352
Equipment<$1,000		38,261	17,914
Household Expenses		220,867	214,867
Professional Fees		87,252	25,531
Repairs & Maintenance		122,763	88,940
Resident Expenses		22,817	7,799
Salary Expenses		3,313,362	3,062,258
Service Expenses		40,527	56,332
Staff Expenses		29,609	20,186
Staff Training		15,645	21,251
Transportation		154,805	140,656
Capital Improvements		0	9,280
IT Development		31,400	23,680
Total Expenditure	3	**4,432,263**	**3,983,138**
Net Profit/(Loss) from Continuing Operations		**(164,757)**	**(20,966)**

The accompanying notes 1 - 19 form an integral part of these financial statements.

M Hoyle

Chief Executive Officer

E Samman

Finance and Maintenance Officer

GELLIBRAND SUPPORT SERVICES
BALANCE SHEET
AS AT 30 JUNE 2011

	NOTES	2011 $		2010 $	
Current assets					
Cash in banks and on hand	4	673,403		846,359	
Account Receivables	5	30,580		20,606	
Other Debit Accounts	6	33,886		22,583	
Total current assets			737,869		889,548
Non Current Assets					
Property Plant & Buildings	7	674,019		744,892	
Furniture & Fittings,	7	56,790		51,854	
Computers	7	91,690		51,526	
Motor Vehicles	7	376,890		372,146	
Projects in Progress	8	31,236			
Total Non Current Assets			1,230,625		1,220,418
TOTAL ASSETS			**1,968,494**		**2,109,966**
Current Liabilities					
Trade Creditors and Other Payables	9	570,558		561,740	
Provisions	10,11,13	109,230		116,910	
Total Current Liabilities			679,788		687,650
Non Current Liabilities					
Provision Long Service Leave	12,13	197,890		175,743	
Total Non Current Liabilities			197,890		175,743
TOTAL LIABILITIES			**877,678**		**854,393**
NET ASSETS			**1,090,816**		**1,255,573**
Equity					
Accumulated Retained Earnings	19	900,816		1,065,573	
Capital Reserve Fund		190,000		190,000	
Total Equity			**1,090,816**		**1,255,573**

The accompanying notes 1 - 19 form an integral part of these financial statements.

M Hoyle

Chief Executive Officer

E Samman

Finance and Maintenance Officer

GELLIBRAND SUPPORT SERVICES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 $	2010 $
Total Retained Earning at the Beginning of the Year		1,065,573	1,086,539
Net Income Recognised Directly in Equity			
Profit/(Loss) for the Year		(164,757)	(20,966)
Total Recognised Income/(Loss) for the Year		**(164,757)**	**(20,966)**
Total Retained Earning at the End of the Financial Year		**900,816**	**1,065,573**
Capital Reserve Fund			
Balance 1 July		190,000	190,000
Transfer from Accruals		0	0
Balance 30th June		**190,000**	**190,000**
Total Equity at the End of the Financial Year		**1,090,816**	**1,255,573**

The accompanying notes 1 - 19 form an integral part of these financial statements.

M Hoyle

Chief Executive Officer

E Samman

Finance and Maintenance Officer

GELLIBRAND SUPPORT SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 $ Inflows (Outflows)		2010 $ Inflows (Outflows)	
Cash Flows from Operating Activities					
Rent, Grants and Operations		4,198,407		3,906,869	
Donations		2,447		13,575	
Interest Received		42,791		21,201	
Payments to Suppliers and General Expenses		(4,173,631)		(3,491,840)	
Other Expenses					
Net Cash Inflow/(Outflow) from Operating Activities	14		70,014		449,805
Cash Flows from Investing Activities					
Payment for Property, Plant and Equipment		(255,697)		(119,309)	
Proceeds from Sale of Property, Plant and Equipment		12,727		19,500	
Net Cash Inflow/(Outflow) from Investing Activities			**(242,970)**		**(99,809)**
Cash Flows from Financing Activities					
Proceeds from Borrowings					
Net Cash Flows from Financing Activities					
Net Increase/(Decrease) in Cash and Cash Equivalents			**(172,956)**		**349,996**
Cash Held at the Beginning of the Financial Year			846,359		496,363
Cash and Cash Equivalents at End of Financial Year			673,403		846,359

The accompanying notes 1 - 19 form an integral part of these financial statements.

M Hoyle
Chief Executive Officer

E Samman
Finance and Maintenance Officer

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(A) General

This general purpose financial statement has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

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

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

All amounts are shown in $ and are expressed in Australian dollars unless otherwise stated.

(B) Income Tax

Gellibrand is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. Gellibrand holds deductible gift recipient status.

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(C) Depreciation

Property, plant and buildings, motor vehicles, office equipment and furniture and fittings, are included at cost less, where applicable, accumulated depreciation. Depreciation on property, plant and buildings, office equipment and furniture and fittings has been provided on the straight line method at various rates based on the useful life of the asset to the organisation, commencing from the time the asset is held ready for use. Depreciation on motor vehicles has been provided on the diminishing balance method. Depreciation on the carrying amount of a revalued depreciable asset is determined by the remaining useful life of that asset.

The depreciation rates used for each class of asset are:

Class of Fixed Asset	Depreciation Rate
Property, Plant and Buildings	5%
Furniture and Fittings	15%
Motor Vehicles	22.5%
Computers	33%
Office Equipment	25%

The carrying amount of property, plant and buildings is reviewed annually by management to ensure it is not in excess of the recoverable amount from those assets. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Computer software is accounted for in accordance with AASB 138 intangible Assets. Software is recognised at cost less accumulated amortisation, which is calculated at rates based on the estimated life of the relevant assets.

Projects in Progress

Projects in progress are assessed periodically, and where it is deemed that a project will not proceed, any costs incurred are written off in that year.

(D) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Amounts disclosed as revenue are net of returns, trade allowances and taxes paid. Revenue is recognised when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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

The activities of Gellibrand are supported by grants received from federal and state governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received. Fees charged for care provided to residents are recognised when the service is provided. Donations are recognised when received.

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(E) Trade receivables

All trade receivables are recognised at their fair value amounts receivable less provision for doubtful debts. The ability to collect trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(F) Development Expenditure

Development costs are charged to operating profit as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover these deferred costs.

Deferred development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial use of the research and development has commenced.

(G) Trade and Other Payables

These amounts represent liabilities for goods and services received prior to the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition. Liabilities for Trade Creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not invoiced.

(H) Interest Bearing Liabilities

A bank overdraft facility is used on occasions and interest is recognised as an expense as it accrues.

(I) Employee Benefits

Liabilities for employee benefits to wages and salaries, annual leave and other current employee benefits are accrued at nominal amounts. Liabilities for other employee benefits, which are not expected to be paid or settled within twelve months of balance date, are accrued in respect of all employees at the present value of the estimated future amounts expected to be paid.

Gellibrand pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the income statement when they are due. Gellibrand has no obligation to pay further contributions to these plans, if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(J) Cash Flow Statement

For the purpose of the cash flow statement, cash includes cash on hand, bank and money market investments, readily convertible to cash, net of outstanding bank overdrafts and short term cash borrowings.

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(K) Provisions

The accounts include specific provisions which were assessed at balance date to determine their appropriateness at that time.

(L) Segment Information

Gellibrand is a non profit organisation operating in the market for residential care of adults with a disability in Victoria.

(M) Maintenance and Repairs

Plant and equipment is overhauled on a regular basis. The cost of this maintenance is charged as an expense as it is incurred, except where the replacement of a component of an asset changes the nature of the asset, in which case the costs are capitalised and depreciated in accordance with note (C). Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

(N) Reserves

Gellibrand maintains a capital reserve fund for the future funding of a shared supported accommodation home.

NOTE 2 REVENUE FROM ORDINARY ACTIVITIES

	2011 $	2010 $
Revenue from Operating Activities		
Government Grants	3,516,697	3,299,832
Resident Rent	538,177	511,630
Donations	2,447	13,575
Grants for Special Purposes	79,828	0
Other Income	83,946	111,421
Revenue from outside operating activities		
Other Revenue:		
Gain/(Loss) on Sale of Assets	3,620	4513
Interest	42,791	21,201
Revenue from Ordinary Activities	4,267,506	3,962,172

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $

NOTE 3 PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

Net Gains and Expenses
Profit/(Loss) from ordinary activities includes the following specific net gains and expenses

	2011 $	2010 $
Net Gains/(Losses)		
Net Gain/(Loss) on Disposal of Assets	3,620	4,513
Expenses		
Salary Expenses	3,313,362	3,062,258
Depreciation	236,382	207,813
Professional Fees	87,252	25,531
Transportation Costs	154,805	140,656
Household Expenses	220,867	214,867
Other Provisions		
Employee Related Costs	57,546	10,807
Other Provisions	0	8,073
Total Other Provisions	57,546	18,880

NOTE 4 CURRENT ASSETS - CASH

	2011 $	2010 $
Cash on Hand	7,393	9,517
Cash in Bank	666,010	334,941
Term Deposits	0	501,901
Total	673,403	846,359

NOTE 5 CURRENT ASSETS – RECEIVABLES

	2011 $	2010 $
Trade Debtors	30,580	20,606
	30,580	20,606

NOTE 6 CURRENT ASSETS – OTHER DEBIT ACCOUNTS

	2011 $	2010 $
Prepaid Expenses	4,952	0
Suppliers Advance Payments	5,276	0
Accrued Income	21,758	18,983
Other Debit Accounts	1,900	3,600
	33,886	22,583

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 7 FIXED ASSETS

	2011 $	2010 $
Property, Plant and Buildings		
Cost or Fair Value at 1 July	1,417,461	1,413,698
Additions	0	3,763
Disposals	0	0
At 30 June	1,417,461	1,417,461
Accumulated Depreciation		
At 1 July	672,569	601,816
Charges for the Year	70,873	70,753
Disposals	0	0
At 30 June	743,442	672,569
***Net Carrying Amount at 30 June**	**674,019**	**744,892**

*** The company acquired a building of $447,878 net book value. The title of the building has been lost and the company is taking the required legal action to recover it.**

	2011 $	2010 $
Furniture and Fittings		
Cost or Fair Value at 1 July	77,504	64,795
Additions	17,827	12,709
Disposals	0	0
At 30 June	95,331	77,504
Accumulated depreciation		
At 1 July	25,650	14,858
Charges for the Year	12,891	10,792
Disposals	0	0
At 30 June	38,541	25,650
Net Carrying Amount at 30 June	**56,790**	**51,854**

	2011 $	2010 $
Computers and Equipment		
Cost or Fair Value at 1 July	100,766	136,307
Additions	85,616	26,582
Disposals	0	(62,173)
At 30 June	**186,382**	**100,766**
Accumulated Depreciation		
At 1 July	49,240	80,243
Charges for the Year	45,452	31,120
Disposals	0	(62,123)
At 30 June	94,692	49,240
Net Carrying Amount at 30 June	**91,690**	**51,526**

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

		2011 $	2010 $
NOTE 7	**FIXED ASSETS (CONT'D)**		
	Cost or Fair Value at 1 July	815,001	774,554
	Additions	121,018	76,255
	Disposals	(34,815)	(35,808)
	At 30 June	**901,204**	**815,001**
	Accumulated Depreciation		
	At 1 July	442,855	368,528
	Charges for the Year	107,166	95,148
	Disposals	(25,707)	(20,821)
	At 30 June	**524,314**	**442,855**
	Net Carrying Amount at 30 June	**376,890**	**372,146**

		2011 $	2010 $
NOTE 8	**PROJECTS IN PROGRESS**		
	Honey Grove – Workshop	29,372	0
	Honey Grove – Furniture	1,864	0
		31,236	0

		2011 $	2010 $
NOTE 9	**CURRENT LIABILITIES – PAYABLES**		
	Trade Creditors	13,174	31,744
	Grants and Donation for Special Purpose	349,792	284,790
	Creditors	98,377	57,330
	Other Credit Accounts	109,215	187,876
		570,558	561,740

		2011 $	2010 $
NOTE 10	**CURRENT LIABILITIES – PROVISIONS**		
	Employee Benefits - Annual Leave (note 13)	109,230	90,795
	Other Provisions	0	26,115
		109,230	116,910

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 11 CURRENT LIABILITIES – PROVISIONS

Movements in Provisions (Annual Leave and Other Provisions)
Movements in each class of provisions during the financial year, are set out below:

	2011 $	2010 $
Current		
Carrying Amount at Start of Year	116,910	92,260
Additional Provisions Recognised	33,155	31,466
Payments	(40,835)	(6,816)
Carrying Amount at End of Year	109,230	116,910

NOTE 12 NON CURRENT LIABILITIES – PROVISIONS

	2011 $	2010 $
Employee Benefits (note 13)	197,890	175,743

Movements in provisions
Movements in each class of provisions during the financial year, are set out below:

	2011 $	2010 $
Non current		
Carrying Amount at Start of Year	175,743	181,513
Additional Provisions Recognised	49,723	0
Payments	(27,576)	(5,770)
Carrying Amount at End of Year	197,890	175,743

NOTE 13 EMPLOYEE ENTITLEMENTS

	2011	2010
Employee Numbers		
Average number of employees during the financial year	75	69

	2011 $	2010 $
a) Aggregate Employee Benefits		
Employee Benefits Liabilities		
Provision for Employee Benefits		
Current	109,230	90,795
Non Current	197,890	175,743
	307,120	266,538

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 14 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Operating Profit (Loss) to net cash inflow from Operating Activities

	2011 $	2010 $
Net Profit/(Loss)		
Non Cash Flows in Operating Profit/(Loss)	(164,757)	(20,966)
- Depreciation	236,382	207,812
- Provisions	14,467	18,880
- Sale of Assets	(3,620)	(4,513)
Changes in Assets and Liabilities		
Decrease in Assets		
- Receivables		
- Accrued Income		
Increase in Liabilities		
- Payables	88,849	188,457
- Accruals		79,497
Increase in Assets		
- Accrued Income	(2,775)	(16,510)
- Receivables	(9,974)	
- Other Debit Accounts	(8,528)	(2,852)
Increase in Reserve		
- Capital Reserve Fund		
Decrease in Liabilities		
- Payables	(80,030)	
- Accruals		
Net Cash Inflow/(Outflow) from Operating Activities	70,014	449,805

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

Gellibrand exposure to interest rate risk reflecting the value of the financial instruments as a result of changes in market interest rates is as follows:

	Floating Interest Rate ($)		Non Interest Bearing ($)	
Financial Assets	**2011**	**2010**	**2011**	**2010**
Cash and Deposits	673,403	846,359		
Bills and Other Investments				
Receivables			64,466	43,189
Total Financial Assets	673,403	846,359	64,466	43,189
Weighted Average Interest Rate	5.50%	4.50%		
Financial Liabilities				
Bank Overdraft	0	0		
Payables			570,558	561,741
Total Financial Liabilities	0	0	570,558	561,741
Net Financial Assets (Liabilities)	673,403	846,359	(506,092)	(518,551)

Reconciliation of net financial assets to net assets

	Notes	2011 $	2010 $
Net Financial Assets as shown above		167,311	327,807
Non-Financial Assets and Liabilities			
Computer & Equipment	7	91,690	51,526
Furniture & Fittings	7	56,790	51,854
Property, Plant and Buildings	7	674,019	744,892
Motor Vehicles	7	376,890	372,146
Projects in Progress	8	31,236	0
Provisions	10,11,12, 13	(307,120)	(292,653)
Capital Reserve Fund		(190,000)	(190,000)
Net Assets Per Statement of Financial Position		900,816	1,065,572

(b) Credit Risk

The maximum exposure to credit risk at balance date on recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 15 FINANCIAL INSTRUMENTS (CONT'D)

(c) Net Fair Values

The net fair value for assets and liabilities in Gellibrand accounts approximates their carrying value.

NOTE 16 REMUNERATION OF COMMITTEE OF MANAGEMENT MEMBERS

Committee of Management Members of Gellibrand act in an honorary capacity and receive no compensation for their services.

NOTE 17 ECONOMIC DEPENDENCY

Gellibrand is dependent upon the ongoing receipt of grants from the Department of Human Services (DHS) to ensure the continuance of its disability support services. During the year ended 30 June 2011, approximately 85.74% (2010 85.7%) of Gellibrand revenue was sourced from DHS. Alternative sources of revenue are being sought to reduce future dependency on DHS.

NOTE 18 EVENTS SUBSEQUENT TO BALANCE DATE

There are no matters or circumstances that have arisen since 30 June 2011 that have significantly affected, or may significantly affect the results of the organisation in future financial years.

NOTE 19 RECONCILIATION OF RETAINED EARNINGS

	2011	2010
Balance as at 1 July	1,065,573	1,086,539
Profit /(Loss) for the year	(164,757)	(20,966)
Balance as at 30 June	**$900,816**	**$1,065,573**

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

GELLIBRAND SUPPORT SERVICES

COMMITTEE OF MANAGEMENT DECLARATION

The Committee of Management of Gellibrand Support Services declares that the financial statements and notes set out on pages 11 to 25:

(a) comply with Accounting Standards, other mandatory professional reporting requirements; and

(b) give a true and fair view of the organisations financial position as at 30 June 2011 and of its performance, as represented by the results of its operations and cash flows for the financial year ended 30 June 2011.

In the Committee's opinion:

(a) There are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Committee of Management.

President ....
M Siles

Treasurer ....
R Kukk

Dated this seventh day of November 2011.

MICHAEL KIERNAN
& ASSOCIATES
ACCOUNTANT FCPA

PO BOX 60
NEWPORT VIC 3015

TEL: 9314 6011
FAX: 9314 4774

370 BLACKSHAWS ROAD
ALTONA NORTH
ABN 82 957 136 008

15 September 2011

Gellibrand Support Services Inc.
24 Withers Street
SUNSHINE VIC 3020

AUDIT REPORT TO THE MEMBERS
Gellibrand Support Services Inc.

On the basis of information provided by the directors of your organization, I have audited in accordance with Australian Accounting and Auditing Standards, the special purpose Income Statement and Balance Sheet for the period ended 30 June 2011.

The specific purpose for which the special purpose financial report has been prepared is set out in the notes to the accounts. The extent to which Accounting Standards have or have not been adopted in the audit of the special purpose financial report is set out in the notes to the accounts.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of your organization's constitution and are appropriate to meet the needs of the directors and members of the service.

Scope
Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, into a financial report.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the service, may suffer arising from any negligence on our part. No person other than the directors and members of your organization should rely on the special purpose financial report. It is not prepared on the basis of providing investment or bank finance information.

GELLIBRAND SUPPORT SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Audit Opinion
I, Michael Kiernan, have examined the books and accounts of the Gellibrand Residential Services Inc. In my opinion the accounts and financial records give a true and fair view of the Service's operations for the year and the attached Income Statement and Balance Sheet correctly summarize the transactions for the year ended 30 June 2011.

The special purpose financial report was prepared exclusively for the benefit of the directors and members of your organization and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MICHAEL KIERNAN FCPA

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the Associations Incorporation Act 1981 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit

Michael Kiernan & Associates

Michael Kiernan FCPA

15 September 2011