

A black and white photograph of a middle-aged man with short hair, smiling broadly. He is wearing a plaid short-sleeved shirt with various text and graphics, including 'INTERSTELLA', 'No. 18478', and '978'. He is holding a white, circular steering wheel controller with both hands. The background is a simple indoor setting. A green horizontal bar is overlaid on the right side of the image, containing the text '2016-17 ANNUAL REPORT'. A white rectangular frame is overlaid on the left side of the image, with a green arrow pointing right from its bottom right corner.

2016-17
ANNUAL
REPORT



McCallum
QUALITY - SUPPORT - INDEPENDENCE

CONTENTS

Our Mission and Vision	03
Foreword	03
Supported Employment: The Numbers	04
Board of Directors	05
Executive Management Team	05
Message from the Chair and Chief Executive Officer	06

THE YEAR THAT WAS

Albert Street Grand Opening	09
McCallum Industries Transition Program	10
McCallum's New TV Commercial	11
McCallum Linen	12
Victoria Park Inclusive Play Space – Community Garden	13
McCallum Community Connections - Camps	14
St Patrick's College Program	14
McCallum's Big Investment into Disability Housing	15
McCallum's Tri-State Games Medal Heist	16
McCallum's Charity Golf Day	17
Dirt Bombs Gardening Group Partner with Munash!	18
Ballarat Show Art Awards	18
McCallum's New Website Goes Live	20

FINANCIALS

2016-17 Commentary	21
Statement of Comprehensive Income	22
Statement of Financial Position	23
Auditor's Report	24
Membership List	27



OUR MISSION

To provide a responsive range of programs and services to people with disabilities and maximise their opportunities in community life.

OUR VISION

To be recognised as a leader and innovator in the provision of quality support services to people with disability.



FOREWORD

The 2017 Annual Report highlights a number of initiatives that have been achieved during the financial year but none more important than our transition to the National Disability Insurance Scheme (NDIS).

In January 2017 the Central Highlands region became only the second region in Victoria to be rolled into the jurisdiction of the NDIS however preparation for this momentous change began several years ago. Over that time McCallum has adapted its systems, processes, organisational structures and added to our pool of experienced personnel to enable the effective migration of the organisation to the NDIS.

The NDIS transition will continue throughout 2017 and we are honoured to help families maximise their use of the new funding system which leads to better life outcomes for the individuals we support.



2016/17: THE YEAR THAT WAS

ALBERT STREET GRAND OPENING



McCallum's \$1.8 million housing development in Ballarat is at the centre of a new, more inclusive community for eight young people living with disability.

The four units, in Albert Street, Sebastopol were opened in October by State Member for Buninyong, Geoff Howard, McCallum Chair, Joe Ballinger and McCallum CEO, Tyrone McCuskey.

The project was a collaboration between the Department of Health and Human Services (DHHS), McCallum Disability Services and Housing Choices Australia (HCA), with funding from the Commonwealth and Victorian Governments and McCallum Disability Services.

"These units provide residents the opportunity to live in modern housing tailored exactly to their needs."

"The unit complex is staffed 24 hours a day, seven days a week by McCallum staff with a sleepover model of support" Mr McCuskey said.

"The intent is to maintain local connections for each resident so they can live life their way and play an active role in their community."



"McCallum is committed to providing flexible, innovative, person-centred and family focussed support to people with a disability and our involvement in this project is testament to that."

SUPPORTED EMPLOYMENT - BALLARAT

“I love working at McCallum Industries”
– Lindsay Lee



Total Supported Employees



72,236

Supported Employee Hours Worked



Average Hours Worked Per Week



112,060kg

of Cloth Processed



87,587kg

of Clothing Recycled



36,400

Plastics Packed

SUPPORTED EMPLOYMENT - ST ARNAUD



Total Supported Employees



22,944

Supported Employee Hours Worked



Average Hours Worked Per Week



9,070

Wash/Dry Cycles Completed



2,828

Overalls Laundered



1,012

Lawns Mowed



595

Domestic/Commercial Cleaning Jobs



388

Cars Washed

MCCALLUM FOUNDATION: ONE FINAL DONATION

The McCallum Foundation ceased in 2017 as the combination of changes in Public Ancillary Fund regulations and the rising administrative burden of complying with governance standards made it unviable.

The Foundation was established in August 2004 with five inaugural Trustees, being Mr. Joe Ballinger, Mr. David Haymes, Mr. Don Huntly (dec.), Mr. Neil Jens and Mr. Peter Wilson. The resignations of Peter and Don in prior years permitted Mr. Les Dickinson and Ms. Jessie Harman to succeed them.

The Foundation's primary purpose was to support the operations and legacy of McCallum Disability Services by providing a medium for McCallum to extend its charitable reach and identity. The Foundation managed to provide McCallum, over the span of thirteen years, broad fiscal support and leadership which will benefit McCallum into the future.

McCallum is indebted to the Trustees of the Foundation and sincerely thanks them for volunteering their time, experience and intellect to guide and support McCallum over many years.

With many exciting and large scale projects planned in the coming years, McCallum thankfully received one final donation from the Foundation in June 2017.

This funding will be reinvested into the community via much needed housing related projects which will provide tangible benefits for McCallum's existing and future residents.



MCCALLUM INDUSTRIES TRANSITION PROGRAM



McCallum's Lifestyle Transition Program began in April 2016 with the purpose of supporting those who are migrating from employment into other services or into retirement.

This group of individuals may be suffering from degenerative illness such as Early Onset Dementia, or employees who are simply ageing and not ready to retire.

Ruth was one of the first to join the group and began to really enjoy the various activities on offer. She was able to undertake different activities in a familiar environment with people she knew, which gave her and her family a sense of reassurance.

"Ruth was quite apprehensive about the move to something different, as attending work at McCallum was Ruth's life and there was uncertainty about how it would all work for Ruth," said Faye (Ruth's sister).

Ruth spent approximately six months in the group before it became apparent that McCallum Industries was no longer a suitable fit for Ruth. Due to Ruth's participation in the Transition Program the groundwork had already been laid for Ruth to transition into different day programs instead of employment.

Ruth then received her NDIS funding package and commenced with McCallum Community Connections in June and is now attending day programs three and a half days per week.

"Ruth is very happy going to McCallum Community Connections, and she is very happy when she comes home. She seems to have more energy and is really enjoying having fun," said Faye.

Ruth's transition from employment has been a great experience for her family, for McCallum staff, and most importantly for Ruth.

Congratulations to Ruth on her 30 years of employment at McCallum. We wish her all the best in this new chapter of her life.

NEW WEBSITE LIVE

McCallum's spiffy new website was launched on Friday 9 December 2016 and provides users with a much easier navigation experience, as well as offering important information in regards to service offerings and NDIS information.

The website will continually be updated with relevant information for clients, their families, carers and staff.

The website is WCAG2.0 compliant, which means it has been designed to ensure people with disability can navigate the site and can change things like font colour and size for easy viewing.

Please go to www.mccallum.org.au to view the site and take a look around.



MCCALLUM'S NEW TELEVISION COMMERCIAL

In early November McCallum released a new television commercial which showcased the services and programs that McCallum offers. The commercial starred McCallum Participants undertaking their day programs, living in their homes and undertaking their employment at McCallum Industries and McCallum Linen.



You can view the commercial at www.mccallum.org.au

MCCALLUM LINEN

It's been another big year for the team at McCallum Linen. It's almost been two years since McCallum purchased Coronet Laundry (now McCallum Linen) and what a journey it has been.



On average the McCallum Linen team washes, dries, folds, bags and delivers approximately 5 tonnes of linen every day. That's a lot of pillow slips and bed sheets!

Since January McCallum Linen has been processing Little Blue Towels. What are Little Blue Towels, you ask? Little Blue Towels are towels that are normally discarded into landfill after one single use.

Approximately 20,000 towels go into landfill each month, choking up our environment.

McCallum Linen's Supported Employees have been selected by the Horizon Committee to collect, wash, fold and pack the towels.

These towels are then sold with all proceeds going to The OTIS Foundation to provide retreats for families suffering from breast cancer.

The Little Blue Towel project has provided ongoing, sustainable and suitable employment for 8 Supported Employees each Monday, Wednesday and Friday at McCallum Linen.



VICTORIA PARK INCLUSIVE PLAY SPACE – COMMUNITY

In early 2017 McCallum partnered with the City of Ballarat to prepare, maintain and nurture the community garden at the Victorian Park Inclusive Play Space. The team planted a range of seasonal vegetables which are available to the community to pick and eat when they've matured.

The team spends time tending to the garden each week, ensuring weeds are removed and the plants are watered and fertilised. There are plans in the future for fruit trees to be planted within the area which would also be maintained and cared for by McCallum Participants.



Despite the weather, Connor was committed to making sure the garden flourishes!

MCCALLUM COMMUNITY CONNECTIONS – CAMPS

It was another big year of successful camps which were very popular with McCallum's Participants. All camps were sold out well in advance and gave Participants the opportunity to travel to new places, undertake great activities with friends and spend some time away from their families.

In April the gang travelled to Koroit for the Koroit Irish Festival and spent their time listening to live music in the main street before enjoying a picnic lunch. They then stayed at the beautiful Hopkins River Falls which everyone loved.

On the Sunday they enjoyed a BBQ lunch before exploring the volcanic craters around the area.

In May a group of Participants enjoyed a day trip to the Eucalyptus Distillery in Inglewood and the Melville Caves. They were lucky enough to have a tour of the Eucalyptus Factory to see how the Eucalyptus Oil was produced.



Seal Rock, Kooyoora State Park

ST PATRICK'S COLLEGE PROGRAM

During the latter months of 2016 McCallum's Community Connections participants partnered with students from St Patrick's College to create storybooks focusing on each other's lives.

Approximately 10 Participants had the opportunity to learn about the students' lives, including their passions outside of school, their families and other interesting facts.

The participants then worked together with the students to create their own storybooks which featured their favourite stories and interests.

The program concluded with a BBQ celebration at St Patrick's College which showcased all of the hard work that had been undertaken throughout the program. Both the McCallum Participants and St Patrick's students learnt a great deal about each other and made some great friendships along the journey.

MCCALLUM'S BIG INVESTMENT INTO DISABILITY HOUSING

In late 2016 McCallum began the process of acquiring suitable land for Specialised Disability Accommodation in Ballarat's fastest growing suburb, Lucas. We're now happy to announce that not only did McCallum purchase one block of land, we purchased two!

Both blocks of land are within close proximity to Lucas' Coltman Plaza (Woolworths, Medical Centre, Pharmacy, public transport, sporting grounds etc.) and will provide state-of-the-art, architecturally designed housing for people with disability.

The first house will accommodate three residents, as well as a staff member who will be on site 24 hours a day, seven days per week.

Detailed drawings of the first house are currently in progress with construction planned to begin in early 2018.

The second house is planned to accommodate five residents, as well as a staff member. This house is planned to begin construction in late 2018.



MCCALLUM'S TRI-STATE GAMES MEDAL HEIST!



Months of preparation and anticipation has culminated in another extremely successful Tri-State Games by the St Arnaud All-Stars, which was held in Horsham from Sunday 6 November until Saturday 12 November 2016.

Medals were won and records were broken as over 300 athletes and 150 support coaches and carers took part in events such as lawn bowls, cricket, swimming, walking across the pool, ten pin bowling, carpet bowls, track and field, basketball and bean bag throw.

The Games were officially opened on Sunday with over 300 athletes from Victoria, New South Wales and South Australia attending the welcome barbeque. The barbeque was a great opportunity for the All-Stars to socialise and mingle with fellow competitors from around Australia.

Despite some inclement weather on the Sunday the All-Stars managed to win both of their cricket matches in between rain delays, before setting off to the Wimmera Events Centre for dinner and disco.

More success for the All-Stars was found on day two in the swimming, but despite the weather warming up, the pool temperatures were icy, which proved a shock to some of the competitors.

After a very successful campaign in the 25m, 50m and 100m races the All-Stars left the pool destined for the Wimmera Events Centre again for the all-important 'Barn Dance'.

After a day of recuperation on the Wednesday, the All-Stars were excited to start where they left off on the Tuesday in the track and field events.

St Arnaud Australian Disability Enterprise Coordinator, Rosee Larizza said the All-Stars did an amazing job in the track and field, whether they were competing, spectating or helping others to the next event.

“The Tri-State Games is such a great event to showcase how talented people with disability are. Everyone really enjoys being part of this great event as it allows everyone the chance to compete and socialise in a very warm and inclusive environment,” she said.

“I must thank the team of carers and volunteers who made it possible for the All-Stars to attend the event this year, they do a wonderful job”

Not only did the St Arnaud All-Stars finish the event with great memories, their luggage came back quite heavier with 13 gold medals, 17 silver medals and 14 bronze medals. The All-Stars also won the trophy for the Best Overall Female Athlete which went to Chantelle Duncan.

MCCALLUM'S CHARITY GOLF DAY

In golfing terms the 2017 McCallum Charity Golf Day was well below par (that's good in golf!).

It was a frosty start to the day with the mercury beginning below 10 degrees, however, as the 21 teams made their way out to the tees the sun broke through for a fantastic warm autumn afternoon at the Midlands Golf Club.

McCallum's Supported Employees helped cook a delicious BBQ lunch for guests, as well as helping deliver refreshments to the players on the course.

The event raised over \$5,000 for McCallum's 2017 Tri-State Games Team.

The winners of the event were the team from Ron Smart Electrical who shot -13 (with a team handicap of 12).



DIRT BOMBS GARDENING GROUP PARTNER WITH MUNASH!

As the old adage states “the best things in life are free”. This is certainly the case with McCallum’s Dirt Bombs who have struck up a great new friendship with the team from Munash Natural Fertilisers.

The relationship sprouted after the Dirt Bombs team visited Munash in late 2016 when looking for some fertiliser to help their seedlings grow over summer.

Munash’s garden manager, Garry Holding generously offered compost/fertiliser, mineral supplements and foliar spray (all made by Munash) free of charge.

Since then the relationship has blossomed. McCallum Participants have since hosted Garry at the Learmonth Street garden to receive some helpful hints and tips.

Team members Jason Riley, Jared Abbott, Peter Woods, Christian Skontra and Kath Chapman were very keen to show Garry their extensive plantings and to get some hot tips on how to avoid plant damage from bugs and improve growth organically.

Garry has also offered to be involved in McCallum’s gardening efforts on an on-going basis in the future.

BALLARAT SHOW ART AWARDS

The group of participants from the Lyons Street Men’s Shed Program were showered with awards at the 2016 Ballarat Show.

All entrants won a place with their completed woodwork entries which they were all extremely excited about.

The Dirt Bombs Gardening Group also won “The Best Artistic Vegetable Section” and received a \$50 Formosa Nursery voucher for their entry “In the Breeze”.

They also entered vegetable plates with participants from the Lalor Unit making faces of vegetables on dinner plates.



Christian & Scott overseeing the garden

All entries were completed with vegetables grown from the Community Connections vegetable garden.

The Lalor Unit also won two \$20 vouchers from Formosa Nursery, ribbons and \$11 from the Ballarat Agricultural & Pastoral Society.



MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER



Chairman, Joe Ballinger and CEO, Tyrone McCuskey

Since our foundation year of 1953 there have been many milestone years of significant achievement. The 2017 Annual Report is the most historic in living memory owing to the implementation of the National Disability Insurance Scheme (NDIS) which rolled out in the Central Highlands Region on 1st January 2017.

The NDIS represents the largest social change in the history of disability service provision and one of the biggest health policy changes in generations, certainly since the advent of Medicare in 1984.

Beginning as a trial in the Barwon Region over the previous three years, McCallum became part of only the second region to step into NDIS regulation during 2016-2017.

Preparation for the NDIS requires robust process and system performance. As such McCallum started planning for the NDIS transition over the last two years. We have invested heavily in back office systems and service infrastructure to ensure the increased regulatory requirements were able to be met.

More recently, and in the months leading up to the launch date, McCallum gathered a team of experienced personnel, referred to as our Central Intake Team. This team ensures all customer enquiries regarding the NDIS are dealt with promptly and given sound advice in preparing themselves for their first NDIS plan.

This customer focussed structure proved invaluable as families, challenged by the complexity and multitude of issues arising from the NDIS rollout, were able to get access to advice competently and swiftly. Combined with extensive staff training in NDIS process and procedural matters McCallum were well prepared for the much anticipated and welcomed changes.

Despite the NDIS being quite rightly heralded as the “long awaited solution” to the current inequities of current disability funding models, it has also had some unintended consequences.

The most concerning is the threat of local service providers withdrawing certain services owing to financial viability concerns.

In late 2016 the Ballarat City Council announced the closure of the Kohinoor Community Centre which was the home for the long established disability day program, SAILS. McCallum responded promptly to this announcement and, in partnership with Council, began migration of most participants of the program to alternate McCallum offered services.

We recognise the difficulty of a change the magnitude of the NDIS brings however we will remain steadfast in our advocacy role to help families attain the level of funding and support they need from the NDIS. To that point our Central Intake Team will continue to provide families with the service they require as they transition into the NDIS.

This year the McCallum Foundation ceased to exist after Trustees agreed to the winding up of the Fund and final distribution back to McCallum. We thank the Trustees involved in the Foundation since 2004 and assure them that the Fund's contributed to McCallum will be purposefully utilised to improve the lives of those individuals we support.

McCallum has continued to refresh and update its homes with kitchen, bathroom and amenity upgrades in all homes, also complemented by heating and cooling replacements, new fixtures, fittings and furniture.

We are well advanced in preparing for our next residential development which will be delivered under the auspices of the NDIS and allow the reconfiguration of existing homes to ensure residents have homes that are fit for purpose and lifestyle.

Our employment offering continues to expand. The NDIS has abolished the cap set on the number of places available open to supported employment which offers more diverse, engaging work for people with disability.

McCallum was proud again to receive our Quality Certification which saw our services and procedures audited by independent Government approved auditor BSI. This certification process is extensive and we recognise and thank our staff for their commitment to quality, person centred services and techniques.

We acknowledge the support of the Federal and State Governments' during our transition to the NDIS by way of Grant funding to assist us prepare internally. Several Grants were received during the financial year which supported this work and was enthusiastically received and applied.

Revenue for the financial year was up 9% to \$12M which reflected our uptake of new services under the NDIS and expansion of employment services via McCallum Linen. Our Operating Surplus also improved as a result of higher revenue and is up 23% year on year.

The Board of Governors farewelled Director Judy Patching in April 2017 and we acknowledge the significant contribution Judy made, particularly being a St Arnaud based Director. Judy has been invaluable and generous with her knowledge regarding St Arnaud particularly at the time McCallum merged with local provider Murdoch Disability Services in 2012.

Finally we would like to thank our wonderful staff who worked tirelessly, and in the face of an unknown NDIS future, and relentlessly pursuing the best outcomes for those individuals we support.

It has been a year of momentous change within the organisation and because we are still in NDIS transition mode there is much to learn. But the subtle lights of our future are starting to emerge. We expect that the NDIS transition will be fully complete in the new year at which time we can take stock of all that has been achieved.

BOARD OF DIRECTORS



Left to Right (top): Peter Brugman, John King OAM, Brigid Maloney, Mary Shone, Tim Bunning.

Left to Right (bottom): Claire Huntington, Joe Ballinger (Chairman), Lynden Hayes.

Absent: Brett Bryant

NEW BOARD MEMBER

McCallum's Board welcomes Claire Huntington to the Board of Directors as a casual Director. Claire attended her first meeting in April 2017. Claire has held Senior Management positions at Ballarat Health Services, Federation University and UFS Dispensaries Ltd in Human Resources and her vast knowledge will strengthen McCallum's HR capabilities.

RETIRING BOARD MEMBER

Judy Patching announced her retirement as a volunteer Board member in December. Judy became a member of the Board in 2012 when McCallum merged with Murdoch Community Services. We thank Judy for her service and wish her all the best in the future.

EXECUTIVE MANAGEMENT TEAM

Tyrone McCuskey
Chief Executive Officer

Noelene Collins
Manager Accommodation & Lifestyle Options

Mike Bigarelli
Manager Corporate Services

Kelly Ransley
Manager Community Connections

Trevor Miller
Manager McCallum Linen

Randal Newton-John
Manager Central Intake & Quality

Matt Vallance
Manager Business Development & Marketing

Adam Bogers
Manager McCallum Industries

2016/17 COMMENTARY

McCallum has again returned a solid financial result with total Comprehensive Income of \$812,825, an increase of \$79,038 from the previous year.

Operating income has increased year on year due to the inclusion of a full 12 months of production revenue from McCallum Linen, 12 months of income from the new accommodation units in Albert St and a pleasing increase in general donations.

The process of transitioning to the NDIS has been more complex and more prolonged than could ever have been anticipated. This complexity and the continued delays in clients transitioning from traditional block funding to individualised NDIS plans has resulted in an additional administrative burden which inevitably has seen an increase in staff costs.

The delay in clients transitioning means that McCallum is operating in an uncertain and unclear environment longer than is ideal. However, with a strong Balance Sheet McCallum will be able to sail through these uncharted waters and be ready and able to fully embrace the NDIS business model later in the 2017/2018 financial year.

Net Assets have improved substantially due to the consolidation of the McCallum Foundation's assets into the McCallum Balance Sheet and the purchase of a block of land in Lucas. A new accommodation house will be built on this site in the next 12 months.

2016/17 OPERATING REVENUE SOURCE



● Grants & subsidies	\$12,034,974
● Service contribution	\$1,181,869
● Production revenue	\$2,454,950
● Investment & other income	\$578,266
Total	\$16,250,059

2016/17 OPERATING EXPENSE BREAKDOWN



● Staff costs	\$12,140,060
● Administration costs	\$859,555
● Depreciation expense	\$742,856
● Program & production costs	\$780,470
● Property & fleet costs	\$931,867
Total	\$15,454,808

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	2017 \$	2016 \$
INCOME		
Recurrent government grants & subsidies	12,034,974	11,039,882
Service contributions	1,181,869	1,182,860
Production revenue	2,454,950	1,905,818
Other income	578,266	470,588
	16,250,059	14,599,148
EXPENDITURE		
Staff costs	12,140,060	11,089,867
Administration & program operating costs	2,157,009	1,906,359
Production, property & fleet costs	1,157,739	958,916
	15,454,808	13,955,142
	795,251	644,006
OPERATING SURPLUS		
Other non-operating and capital items	17,574	89,781
	812,825	733,787
TOTAL COMPREHENSIVE INCOME	812,825	733,787

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2017

	2017 \$	2016 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,272,619	4,875,389
Trade, other receivables and inventories	1,099,305	715,150
TOTAL CURRENT ASSETS	6,371,924	5,590,539
NON CURRENT ASSETS		
Property, plant and equipment	10,432,564	10,134,845
Investments	1,961,472	1,195,550
Intangible assets	80,000	80,000
TOTAL NON CURRENT ASSETS	12,474,036	11,410,395
TOTAL ASSETS	18,845,960	17,000,934
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	2,831,109	3,053,396
Provisions	760,992	774,422
TOTAL CURRENT LIABILITIES	3,592,101	3,827,818
NON CURRENT LIABILITIES		
Provisions	953,149	1,024,713
TOTAL NON CURRENT LIABILITIES	953,149	1,024,713
TOTAL LIABILITIES	4,545,250	4,852,531
NET ASSETS	14,300,710	12,148,403
MEMBERS FUNDS		
Reserves	1,051,386	657,220
Retained Surplus	13,249,324	11,491,183
TOTAL MEMBERS EQUITY	14,300,710	12,148,403



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McCallum Disability Services Inc.

ABN: 65 583 429 720

Auditors Independence Declaration under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of McCallum Disability Services Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been no contraventions of:

- (i) the auditor independence requirements as set out in *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd
PPT Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'J. Hargreaves', written over a dotted line.

Jason D. Hargreaves
Director

PPT Audit Pty Ltd

20 Lydiard Street South, Ballarat

25 August 2017



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McCallum Disability Services Inc.

Independent Audit Report to the members of McCallum Disability Services Inc.

Opinion

We have audited the accompanying financial report, being a special purpose financial report of McCallum Disability Services Inc. (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board of Governors

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- giving a true and fair view of the financial position of McCallum Disability Services Inc. as at 30 June 2017 and of its financial performance for the year ended in accordance with the accounting policies described in Note 1 to the financial statements; and
- complying with *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

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 auditor independence requirements of *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* and 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in meeting the requirements of *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of the financial report in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

The Board of Governors is responsible for overseeing the Association's financial reporting process.

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.

PPT Audit Pty Ltd 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Board of Governors' 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 Entity'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 Entity 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 Board of Governors 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.

We also provide the Board of Governors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PPT Audit Pty Ltd

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PPT Audit Pty Ltd



.....
Jason D. Hargreaves
Director

20 Lydiard Street South, Ballarat

29 August 2017

MEMBERSHIP LIST 2016/17

Ballarat

1. Mrs Helen Ballinger
2. Mr & Mrs Ron & Georgina Barby
3. Mr & Mrs Maureen & Kevin Brady
4. Mr Peter Brugman
5. Mr Brett Bryant
6. Mr Tim Bunning
7. Mr & Mrs Brian & Heather Carr
8. Mr Ken Clements
9. Ms Sam Elshaug
(UFS Dispensaries Ltd)
10. Ms Carmen Fletcher
11. Mr & Mrs Geoff & Marie Harrison
12. Mrs Lynden Hayes
13. Mr & Mrs Mario & Elena Lafrate
14. Mr Bill Kuiler
15. Mr & Mrs Andrew & Jennette Leisfield
16. Mrs Nancy McCallum
17. Mr & Mrs Mel & Elwyn McDonald
18. Mr & Mrs M & L McLean
(M & L McLean Cleaning)
19. Mr Leah Mason
(Angus Eeles Plumbing)
20. Mrs Brigid Moloney
21. Dr John Morris
22. Mr & Mrs J & E Nolan
23. Mr & Mrs Greg & Marjorie O'Donnell
24. Dr & Mrs Mark & Catherine Pilbeam
25. Mrs Judy Roberts
26. Ms Mary Shone
27. Mr Ron Smart
(Ron Smart Electrical)
28. Mr Trevor Smith
29. Miss Ella Smith
30. Mr & Mrs Graeme & Rosslyn Sutton
31. Mrs Louise Weire
32. Mrs Claire Huntington

St Arnaud

1. Mrs Lyn Box
2. Ms May Chester
3. Mr & Mrs Geoff & Wendy Collins
4. Ms Deborah Finlay
5. Mr Benjamin Hewitt
6. Mr & Mrs Keven & Maree Hewitt
7. Mr & Mrs Hadyn & Jan Jones
8. Mr Geoffrey Patching & Kim Nevill
9. Ms Judith Patching
10. Mr & Mrs Andrew and Merrilee Reid
11. Mr & Mrs John & Francis Powell
12. Mrs Noreen Ryan
13. Mr & Mrs Ted & Shirley Scott
14. Mrs June Wood

Ballarat Life Members

1. Joseph Ballinger
2. Bev Barby
3. Erma Fidler
4. Isabel Gribble
5. Elizabeth Hastie
6. Faye Hunt
7. Caroline Hutterer
8. John King OAM
9. Val McRoberts
10. Norm Pinney (deceased)
11. W.A (Bill) Wilkie

St Arnaud Life Members

1. William Amos
2. Brian Dixon
3. Alan Wood



**BALLARAT
OFFICE**

29 Learmonth Street
Ballarat VIC 3350

P: 5334 1921

**ST ARNAUD
OFFICE**

1 Long Street
St Arnaud VIC 3478

P: 5495 1566

**AUSTRALIAN
DISABILITY ENTERPRISE**

1820 Sturt Street
Ballarat VIC 3350

P: 5337 6901

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