

A photograph of two women laughing joyfully outdoors at sunset. The woman on the left has long blonde hair and is wearing a white floral top with a dark cardigan. The woman on the right has long dark hair and is wearing a white floral top. The background is a bright, hazy sunset sky with some greenery visible on the right.

DECISIVE ACTION

Annual Report

2018/2019

SCOPE
INC

AS AT JUNE 30, 2019, SCOPE INC COMPRISED:



17

**RESIDENTIAL
SUPPORT LOCATIONS**

4

OWNED

12

**IN HOME
ACCOMMODATION**

1

**SDA HOUSE
THROUGH DSS**



40

CLIENTS

29

**NDIS
FUNDED**

11

**CoS
FUNDED**



96

STAFF

7

**MANAGEMENT
AND ADMIN
STAFF**

58

CARERS
(employed
directly by
SCOPE Inc)

31

CARERS
(provided by Edmen
under a labour hire
arrangement)

SCOPE Inc. is an Incorporated Association,
registered with Office of Fair-Trading QLD.

SCOPE Inc is a Registered Charity and a
Public Benevolent Institution (PBI) with
Deductible Gift Recipient (DGR) status.
SCOPE Inc is registered with Australian Charities
and the Not-for Profit Commission (ACNC).

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OUR MISSION

Life is a gift.

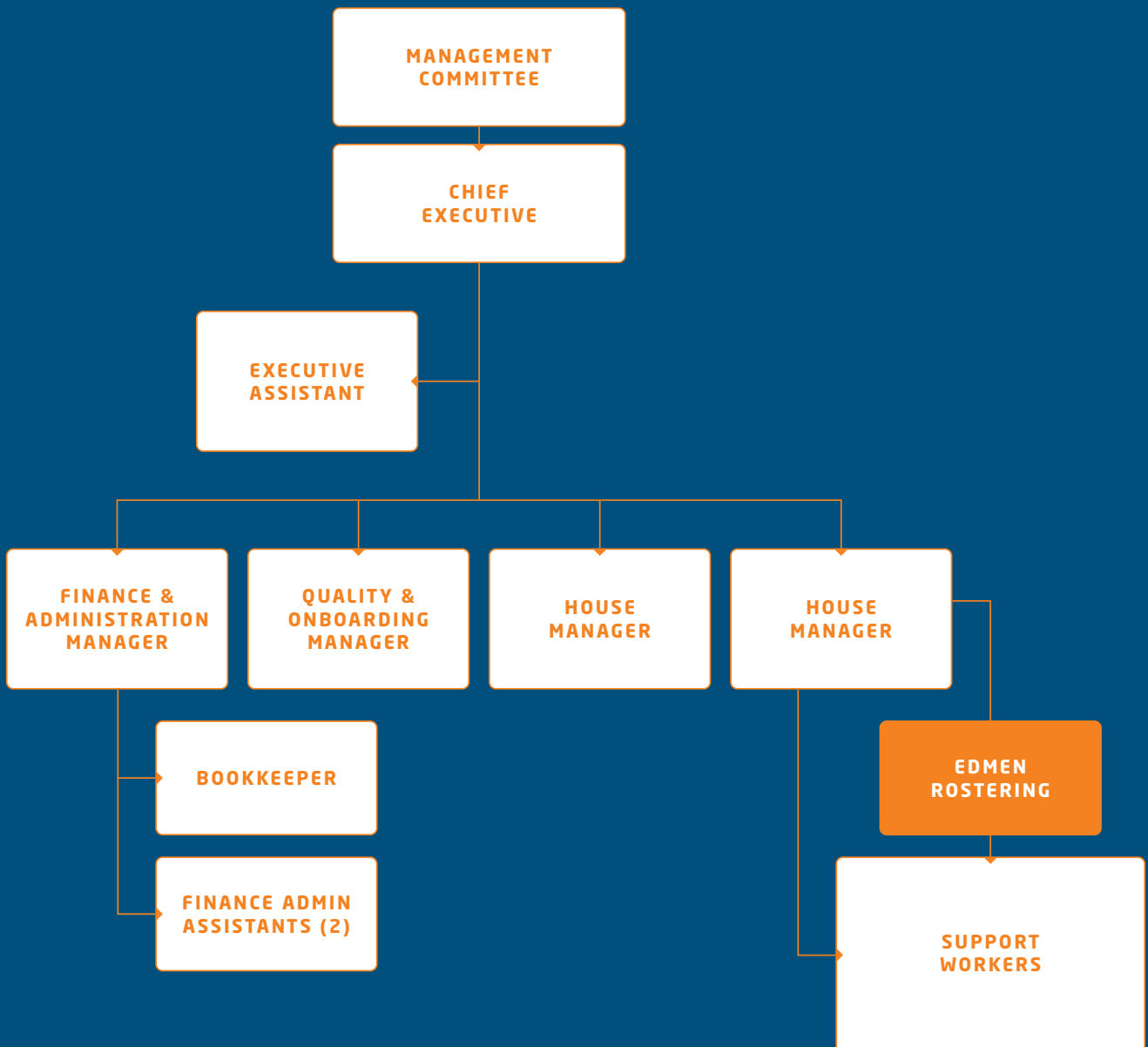
Every day, we at SCOPE Inc plan and work together to achieve the potential of our clients and their families to live full, enriched lives.



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OUR ORGANISATION



FINANCIAL YEAR 2018 / 2019 OVERVIEW

*“Even now, SCOPE Inc
is a different organisation.”*

Emerging from a period marked by accreditation failure, significant risks to the organisation including forced merger, hostile takeover and/or organisational failure, in 2018/19 the Management Committee took decisive action.

Believing that SCOPE Inc’s clients are best served by the organisation’s independence and not-for-profit/profit-for-purpose status, and as advised by the CEO, a range of specialist external consultants were retained to design and implement a major change program.

The change program underway has four key objectives:

- ▶ ensuring SCOPE’s financial viability and sustainability
- ▶ delivering quality services that meet accreditation requirements
- ▶ focusing on and enhancing customer satisfaction
- ▶ restructuring SCOPE’s workforce so that it is:
 - the right size;
 - comprises people with the right skills; and
 - able to be deployed at the right place, at the right time.

Working together, the CEO and the consultants continue to uncover significant risks to the organisation. These risks are re-prioritised and addressed as part of the change program.

Concurrently, a comprehensive strategic and operational planning regime is being developed and implemented.

Even now, SCOPE Inc is a different organisation.

PRESIDENT'S REPORT

A report such as this is usually confined to the financial year which it addresses. However, in this instance, a report for the financial year 2018/19 can only be read properly in the context of 2016.

In September 2016, SCOPE Inc failed accreditation. This was followed by a year-long compliance investigation conducted by the Queensland Government. Every aspect of SCOPE Inc's operations were examined. While the investigation found no practices on the basis of which the organisation could be disciplined, there were many areas identified which demanded improvement.

As well as having to make these critical improvements, SCOPE Inc confronted a new set of requirements, a new funding model and a competitive, market-oriented environment mandated by both the NDIS and the Continuity of Service (CoS) frameworks.

NDIS means that people with disabilities and their families now have a wide range of choices.

They will, quite properly, look for organisations with a client-centric culture, well-maintained facilities, appropriately trained and skilled staff, attractive lifestyle programs, financial sustainability and sound governance.

In August 2018 SCOPE Inc's auditors, SRJ Walker-Wayland, were engaged to facilitate a business analysis and strategic review to determine whether our organisation would be viable in the NDIS/CoS environment. The outcome of this work was clear. Without very substantial change, SCOPE Inc faced a forced merger, a hostile takeover or failure.

Believing that SCOPE Inc's clients are best served by the organisation's independence and not-for-profit / profit-for-purpose status, the Management Committee took decisive action.

On the advice of the CEO, specialist external consultants were retained to design and implement a major change program.

In essence, the Management Committee commissioned a balanced corporate recovery.

In rolling out this major change program, the CEO and the specialist consultants continue to uncover risks to, as well as opportunities for, the organisation. As these risks and opportunities emerge, they are re-prioritised and addressed as part of the change program.

Concurrently, a comprehensive strategic and operational planning regime is being developed and implemented.

The Change Program

The change program has four key objectives:

- ▶ ensuring SCOPE's financial viability and sustainability
- ▶ delivering quality services that meet accreditation requirements
- ▶ focusing on and enhancing customer satisfaction
- ▶ restructuring SCOPE's workforce so that it is:
 - the right size;
 - comprises people with the right skills; and
 - able to be deployed at the right place, at the right time.

SCOPE's Inc Management Committee understands that this process is, in fact, a corporate recovery and that it will entail a long journey.



Our Balanced Scorecard – a four-quadrant template, ensures that planning, implementation and service delivery are balanced and strategically aligned to the key outcomes.

This journey started in the financial year 2018/2019.

It is pleasing to be able to report that SCOPE Inc's innovative and unique approach has attracted the interest and the approval of NDIS/CoS and Dept of Health planners, coordinators as well as Community Visitors.

Progress is measurable and exciting.

Even now, SCOPE Inc is a different organisation.

Culture Change

Change is inevitable but, for an organisation like SCOPE Inc, it is critical.

We recognised that our corporate recovery program had to start with the culture of the organisation. Without a vibrant and receptive corporate culture, any change program is doomed to fail.

Embarking on the change program, we reflected on what SCOPE Inc should be doing - and why. We realised that our mission is to ensure that people with disabilities and their families are able to live their lives to their full potential. Our mission informs every aspect of the corporate recovery/change program currently underway in our organisation.

In the past, the SCOPE Inc culture has been marked by some self-interest, a lack of genuine focus on our clients and their families, a commitment to the status quo and a determination to resist change. As we reoriented the organisation's focus, a number of our staff decided to pursue their careers elsewhere. We thank them for their service and we wish them well.

Equally, we welcome to our organisation our new managers and staff. They have been drawn to SCOPE Inc because of SCOPE's new, vibrant approach to what we do and how we do it.

Planning Change

One of the major risks facing the organisation was the lack of a comprehensive, integrated planning regime. Accordingly, the financial year 2018/19 saw the development and implementation of a set of integrated plans to underpin the four key objectives of the change program as outlined earlier.

► Progressive Lifestyle Strategy (PLS)

A PLS is predicated on the wishes and aspirations of both the clients and their families and comprises a 12 week forward plan of seasonally based activities for our clients. These activities, arrived at in consultation with each client and his/her family, are reviewed monthly and amended if necessary. Each PLS is refreshed quarterly and his/her family can monitor progress and any changes via meetings with client and staff. This new approach is consistent with SCOPE Inc's Mission Statement and enriches the lives of both our clients and their families.

► Fortnight Delivery Planning (FDP)

FDP converts each client's PLS to specific activities, days, times and sequences. This planning approach ensures the effectiveness of each client's PLS and informs our staff of any changes - activities, timings, sequences etc - which might be necessary.

► Financial Planning

A rigorous Financial Planning regime ensures the viability and the sustainability of our organisation. It informs our negotiations with the NDIS/CoS and other funding agencies, especially when we issue a quote for service. Financial Planning enables us to plan rosters and predict staffing costs.



► Quality Planning

Quality Planning enables us to deliver high-quality outcomes to our clients and their families. Quality Planning incorporates staff inductions, client support needs, SCOPE Inc administrative systems, staff planning and rostering (to align skills and staff numbers with each house), performance reviews and development appraisals.

By continuously striving for quality and measuring ourselves against the Quality and Safeguarding Framework, we can meet the changing needs of the organisation.

Change and People

The change program continues to focus on building SCOPE's workforce so that it is the right size, comprises people with the right skills and is able to be deployed at the right place, at the right time. This is being done with a focus on ensuring safe and secure environments for our valued clients as well as safe and secure WHS environments for our valued staff.

By January 2019, preparation for transition to a competitive, market-based environment was well underway. A series of planning and strategy workshops were held earlier with staff and managers to align the planning regime with staff members' existing skills, training needs, appetite for change and the new NDIS/CoS environments.

As is the way of these things, some of our staff members were excited, some were identified as not having the required skill-set and some chose to pursue their careers elsewhere rather than embrace change.

At the same time as the Management Team negotiated redundancies, new roles were identified and recruited for. As well as new carers, we engaged House Managers, a Quality and Intake Manager and a new Finance and Administration Manager.

The planning and training regime we have implemented has resulted in a number of new HR roles being created, Client Outcome Leads and Planners. These people are responsible for the Progressive Lifestyle Strategies and the Fortnight Delivery Plans. As well as ensuring that our plans are implemented, these roles have created career pathways within SCOPE Inc.

Following an analysis of the costs of outsourcing some of our staffing and rostering services functions to Edmen, it was apparent that a comprehensive and independent staffing / rostering functionality was more in SCOPE Inc's interest.



Finances

During this year the Finance Team was rebuilding the section so as to provide the Management Committee and the management team with the timely and accurate financial information and analyses required to strategically plan SCOPE Inc's growth trajectory.

SCOPE Inc now has in-house financial services to underpin the business strategy. These financial services include financial planning & budgeting, financial monitoring & reporting, bookkeeping, internal controls, cashflow monitoring & forecasting and monthly balance sheet reviews.

The financial statements for the year ended June 2019 (see attached) reported a net deficit of \$647,809. In a broad sense, this drawdown on reserves is a direct result of the NDIS/CoS-related change program we ran over an eight month period. The change management program cost \$858,000 to address all matters associated with the restructure and reinvigoration of the business. There was also an outstanding sum of \$257,000 to Department of Communities, Disability Services and Seniors as a result of NDIS client transition.

The change program is an investment which has thus far resulted in \$315,000 recurrent savings from the salary budget as well as \$800,000 of savings by reducing our reliance on EDMEN. This is to be seen in the context of an increase in revenue forecast to be \$9.5M by the end of the financial year 2019/20.

At this point, it is anticipated that the investment/net deficit/drawdown on reserves recorded in the financial statements (see attached) will be recouped by June 30, 2020.

Conclusion

This report describes an important and overdue restructuring / re-orienting of SCOPE Inc.

On a national level, the political, competitive and regulatory environments will continue to present significant challenges as well as exciting opportunities.

As a committee we understand that a wholesome corporate culture is driven from the top.

In concert with our management team and our valued staff, the Management Committee looks to the coming year to grow our position in the sector as a not-for-profit/profit-for-purpose NDIS/CoS provider characterised by sound ethics, sound governance and a unique, innovative approach to service delivery of the highest quality.

The Management Committee extends its thanks and appreciation to CEO Tracey Lloyd, the management team, the staff and the specialist external consultants for their hard work and commitment to rebuilding SCOPE Inc to be the organisation we know it can be.

On a personal note, I'm grateful to my colleagues on the Management Committee for their continuing support and friendship in what was a difficult but ultimately rewarding year.

Barry Maxfield
President, SCOPE Inc

MANAGEMENT COMMITTEE GOVERNANCE STATEMENT

This Corporate Governance Statement outlines the Management Committee's ongoing commitment to a best-practice governance framework.

Management Committee members have a sound understanding of, and comply with, the financial, legal and prudential obligations of SCOPE Inc.

All SCOPE Inc's operations and activities are guided by a clear, coherent and integrated set of policies which are reviewed regularly.

The Management Committee Charter

The Management Committee Charter identifies the Committee's roles and responsibilities, its membership and operation and the responsibilities that may be delegated to sub-committees/working parties and/or management.

Structure and Composition of the Management Committee

SCOPE Inc's Constitution allows for a maximum of eight elected Management Committee members.

The President of the Management Committee, for the financial year 2018/19 was Mr Barry Maxfield. Mr Maxfield was re-elected to this role in 2018.

Management Committee Member Independence

To be considered independent, each Management Committee member must be able to demonstrate that he/she is free of any interest, position, organisation or relationship that might influence, or reasonably be perceived to influence, his/her capacity to bring independent judgement to bear on issues before the Management Committee and his/her capacity to act in the best interests of the organisation.

A Management Committee member who:

- ▶ is, or has been, employed in an executive capacity by SCOPE Inc and there has not been a period of at least 3 years between ceasing that employment and serving on the Management Committee;
- ▶ is, or has within the last three years been, a partner, board member or senior employee of a provider of material professional services to SCOPE Inc;
- ▶ is, or has been within the last 3 years, in a material business relationship (eg as a supplier or customer) with SCOPE Inc, or an officer of, or otherwise associated with, someone with such a relationship;
- ▶ has a material contractual relationship with SCOPE Inc;
- ▶ has close family ties with any person who falls within any of the categories described above;
- ▶ will not be independent, unless the Management Committee is satisfied on reasonable grounds that the member is independent despite the existence of one or more of these circumstances.



In each case, the nature of the interest, position in SCOPE Inc or relationship is assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Management Committee member's capacity to bring an independent judgement to his/her role on the Management Committee and/or to act in the best interests of SCOPE Inc.

Management Committee Sub-Committees / Working Parties

The Management Committee will, where necessary, establish sub-committees/working parties to assist it in the execution of its responsibilities.

Risk Management

The Management Committee is responsible for ensuring that a robust risk management culture is maintained and implemented throughout the organisation.

SCOPE Inc is establishing a sound risk management framework and the Management Committee is committed to ensuring that the principles set out in this framework are acted on in an effective and timely manner.

Professional Development

Management Committee members are expected to undertake ongoing professional development. This professional development seeks to reinforce and build on the professional requirements outlined in the Management Committee Charter induction.

Management Committee members are encouraged to maintain and extend their existing skills and to acquire new ones.

The General Manager works with the President to ensure Management Committee members are informed of, and encouraged to attend, relevant forums and seminars in order to enhance their knowledge of corporate governance, relevant sectoral matters and the changing environment of business operations.

Ethical Behaviour

All Management Committee members are required to act at all times in a manner consistent with SCOPE Inc's commitment to honesty, integrity, quality and trust.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Note	\$	\$
Revenue	4	7,994,234	7,506,325
Other income	4	423,173	503,625
Employee benefits expense		(7,702,476)	(7,133,701)
Depreciation and amortisation expense		(92,376)	(110,428)
Other expenses	5	(1,259,957)	(893,410)
Finance costs		(10,406)	(6,388)
Surplus/(deficit) for the year		<u>(647,809)</u>	<u>(133,977)</u>
Total comprehensive income for the year		<u>(647,809)</u>	<u>(133,977)</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,141,004	1,384,133
Trade and other receivables	7	67,155	-
Other assets	9	-	1,582
TOTAL CURRENT ASSETS		1,208,159	1,385,715
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,696,329	1,780,140
TOTAL NON-CURRENT ASSETS		1,696,329	1,780,140
TOTAL ASSETS		2,904,488	3,165,855
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	582,656	346,782
Other financial liabilities	11	1,170	624
Employee benefits	12	296,613	310,414
Other liabilities	14	500,249	372,794
TOTAL CURRENT LIABILITIES		1,380,688	1,030,614
NON-CURRENT LIABILITIES			
Employee benefits	12	52,555	16,187
TOTAL NON-CURRENT LIABILITIES		52,555	16,187
TOTAL LIABILITIES		1,433,243	1,046,801
NET ASSETS		1,471,245	2,119,054
EQUITY			
Revaluation reserves		920,997	920,997
Retained earnings		550,248	1,198,057
TOTAL EQUITY		1,471,245	2,119,054

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	1,198,057	920,997	2,119,054
Surplus/(deficit) for the year	(647,809)	-	(647,809)
Balance at 30 June 2019	550,248	920,997	1,471,245

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	1,332,034	920,997	2,253,031
Surplus/(deficit) for the year	(133,977)	-	(133,977)
Balance at 30 June 2018	1,198,057	920,997	2,119,054

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		8,466,962	8,372,848
Payments to suppliers and employees		(8,699,038)	(8,113,634)
Interest received		10,745	11,548
Interest paid		(10,406)	(3,996)
Net cash used in operating activities	17	(231,737)	266,766
CASH FLOWS FROM INVESTING ACTIVITIES:			
Movement in property, plant and equipment		(11,938)	(40,040)
Net cash used by investing activities		(11,938)	(40,040)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		546	-
Net cash provided by financing activities		546	-
Net increase/(decrease) in cash and cash equivalents held		(243,129)	226,726
Cash and cash equivalents at beginning of year		1,384,133	1,157,407
Cash and cash equivalents at end of financial year	6	1,141,004	1,384,133

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

The financial statements cover SCOPE Inc. as an individual entity. SCOPE Inc. is a not-for-profit Association incorporated in Queensland under the *Australian Charities and Not-for-profits Commission Act 2012*.

The functional and presentation currency of SCOPE Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those Charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Rendering of services

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(f) Property, Plant and Equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 7.5%
Furniture, Fixtures and Fittings	10% - 66.67%
Motor Vehicles	18.7% - 25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Personal leave is non-vesting and therefore according to Australian Accounting Standards, is not required to be recognised as a liability. The committee have decided that they would prefer to recognise personal leave as a liability of the Association and as the accounts are special purpose, this approach is not considered inappropriate.

(i) Economic dependence

SCOPE Inc. is dependent on the Queensland Government for the majority of its revenue used to operate the business. At the date of this report the committee members have no reason to believe that the Queensland Government will not continue to support SCOPE Inc..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Revenue		
Donations	42,303	13,995
YLYC income	62,169	165,780
DS funding income	5,971,406	7,315,002
Fee for service income	115,661	-
NDIS income	613,024	-
Continuity of support income	1,178,925	-
Interest received	10,745	11,548
Total revenue	7,994,234	7,506,325

	2019	2018
	\$	\$
Other Income		
Client contribution income	407,868	460,712
Other income	15,306	42,913
Total other income	423,173	503,625

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

5 Result for the Year

The result for the year includes the following specific expenses:

	2019 \$	2018 \$
Other expenses:		
Accounting Fees	74,332	10,795
Audit fees	19,025	27,955
Client funding	-	6,557
Computer expenses	38,684	37,311
Consulting fees	266,441	-
Electricity	58,314	52,718
HR expenses	227,435	70,833
Insurance	66,446	65,640
Loss on motor vehicle	3,372	-
Medical supplies	29,231	43,547
Motor vehicle expenses	45,050	40,978
Printing and stationery	26,336	24,043
Rates & taxes	29,048	33,912
Rent	65,376	65,265
Repairs and maintenance	65,384	75,958
Rostering management	54,000	44,000
Staff amenities	16,463	17,024
Staff training & development	(42,380)	73,646
Sundry expenses	48,109	41,309
Supplies	79,689	75,209
Telephone	77,526	86,709
Travel	12,075	-
Total other expenses	1,259,957	893,410

6 Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and in hand	1,141,004	1,384,133
Total cash and cash equivalents	1,141,004	1,384,133

7 Trade and other receivables

	2019 \$	2018 \$
CURRENT		
Trade receivables	67,155	-
Total current trade and other receivables	67,155	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

8 Property, plant and equipment

	2019 \$	2018 \$
Land and buildings - leasehold		
At fair value	1,000,000	1,000,000
Accumulated depreciation	(50,000)	(25,000)
Total land and buildings leased	950,000	975,000

These buildings have been erected on land that is leased from the Local Government. The remaining term of the lease for the property located in Burpengary is 8 years and the remaining term for the property in Strathpine is 22 years.

	2019 \$	2018 \$
Land and Buildings - owned		
At fair value	625,000	625,000
Accumulated depreciation	(31,250)	(15,755)
Total land and buildings owned	593,750	609,245
Total land and buildings	1,543,750	1,584,245

An independent valuation of property (land and buildings) carried at fair value was obtained on 6 June 2017 for all three properties. The valuation is an estimation which would only be realised if the property is sold.

PLANT AND EQUIPMENT

	2019 \$	2018 \$
Plant and equipment		
At cost	229,171	220,622
Accumulated depreciation	(180,419)	(162,098)
Total plant and equipment	48,752	58,524
Furniture, fixtures and fittings		
At cost	336,618	334,695
Accumulated depreciation	(301,301)	(291,244)
Total furniture, fixtures and fittings	35,317	43,451
Motor vehicles		
At cost	300,824	330,972
Accumulated depreciation	(232,314)	(237,052)
Total motor vehicles	68,510	93,920
Total plant and equipment	152,579	195,895
Total property, plant and equipment	1,696,329	1,780,140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

9 Other assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	-	1,582
Total current other assets	-	1,582

10 Trade and other payables

	2019	2018
	\$	\$
CURRENT		
Accounts held in trust	23,978	16,730
Employee accruals	242,716	144,434
GST and PAYG payable	38,711	131,404
Other payables	22,063	13,339
Superannuation payable	31,567	28,025
Trade payables	223,622	12,849
Total trade and other payables	582,656	346,782

11 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Westpac business loan	1,170	624
Total current other financial liabilities	1,170	624

12 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Annual leave	250,975	243,951
Long service leave	25,670	45,858
Personal leave	19,968	20,605
Total current employee benefits	296,613	310,414

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

12 Employee Benefits

	2019 \$	2018 \$
NON-CURRENT		
Long service leave	52,555	16,187
Total non-current employee benefits	52,555	16,187

13 Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

14 Other Liabilities

	2019 \$	2018 \$
CURRENT		
Income received in advance	-	3,003
NDIS funding to be returned	257,468	-
Training in advance	-	80,000
Unexpended grants	242,781	289,791
Total current other liabilities	500,249	372,794

15 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2019 (30 June 2018:None).

16 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

17 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2019	2018
	\$	\$
Surplus/(deficit) for the year	(647,809)	(133,977)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	92,376	110,428
- net (gain)/loss on disposal of property, plant and equipment	3,372	1,446
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(67,154)	1,652
- (increase)/decrease in other assets	1,582	14,538
- increase/(decrease) in trade and other payables	235,876	(49,151)
- increase/(decrease) in income in advance	127,455	372,794
- increase/(decrease) in provisions	22,565	(50,964)
Cashflow from operations	(231,737)	266,766

18 Association Details

The registered office of the association is:
S.C.O.P.E. Inc.
The Hub 30 - 54 Aquatic Centre Drive
BURPENGARY QLD 4510

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 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 13:

1. Presents fairly the financial position of SCOPE Inc. as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that SCOPE 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



Treasurer



Dated

18/10/2019

22/10/2019

INDEPENDENT AUDITOR'S REPORT

To the Members of SCOPE Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SCOPE Inc., which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies, and the Statement by the Members of the Committee.

In our opinion the financial report of SCOPE Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and 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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. 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 Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet the needs of the members. The management's responsibility also includes such internal control as the officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Management are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

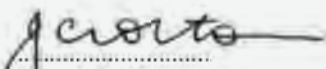
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Association.

- Conclude on the appropriateness of Association's use of the going concern basis of accounting and based, on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



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Jason Croston
SRJ Walker Wayland
Director

Date: 23 October 2019

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