

ANNUAL REPORT

2019/2020







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EPIS, acknowledges the
traditional owners of country
throughout Australia and their
continuing connection to
land, sea and community.

We pay our respect to them and
their cultures, and to elders
both past and present.

OUR VISION

To provide the best quality health and well being services to our communities.

OUR PURPOSE

To make a positive difference to the lives of people in our communities

OUR MISSION

EPIS will develop a social enterprise to promote health and well being with our clients in our business, and for our communities.



OUR VALUES

RESPECT

We build support and trust through a mutual understanding and expectation of shared respect.

COMPASSION

We respond to the needs of others; we are motivated by a desire to make a positive difference.

INTEGRITY

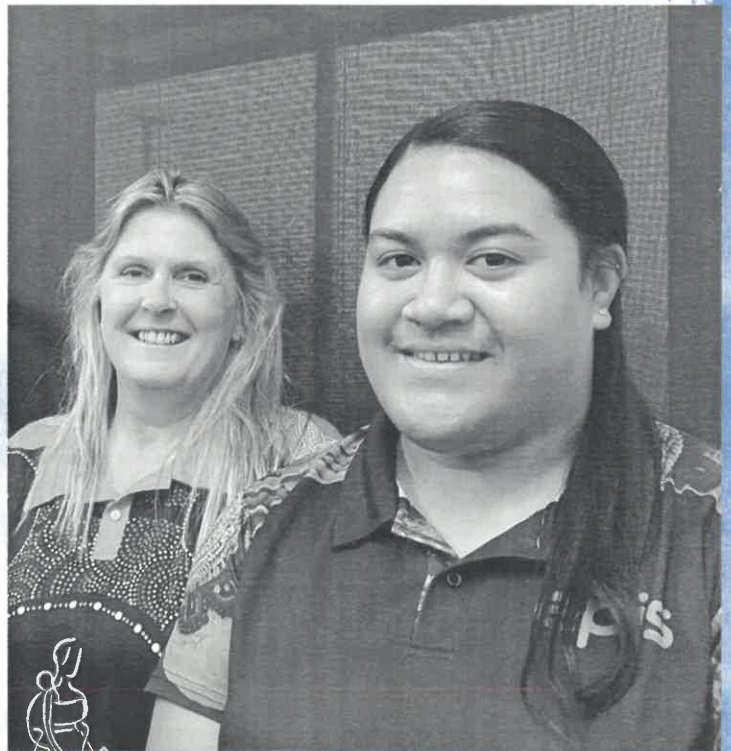
Our actions are grounded in an environment of honesty, respect for culture and strong moral principles.

COLLABORATION

We work openly and honestly together to meet the needs of our clients, community and each other.

Team epis







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COLLABORATION

We work openly and honestly together to meet the needs of our clients, community and each other.

OUR GOALS

PERSON CENTRED CARE

We make a difference to the lives of each of our clients by respecting each individual's capacity for independent living.

DEVELOPMENT OF PEOPLE AND CULTURE

We make a difference by operating in an environment where the right people can thrive in a culture of caring and personal growth

CREATE A SUSTAINABLE SOCIAL ENTERPRISE

We make a difference through our social enterprise business model

STRENGTH THROUGH COLLABORATION

We make a difference by engaging with like-minded people and organisations to further benefit our clients and communities

OUR OUTCOMES

BETTER HEALTH
OUTCOMES

INDEPENDENCE

BETTER
EXPERIENCES

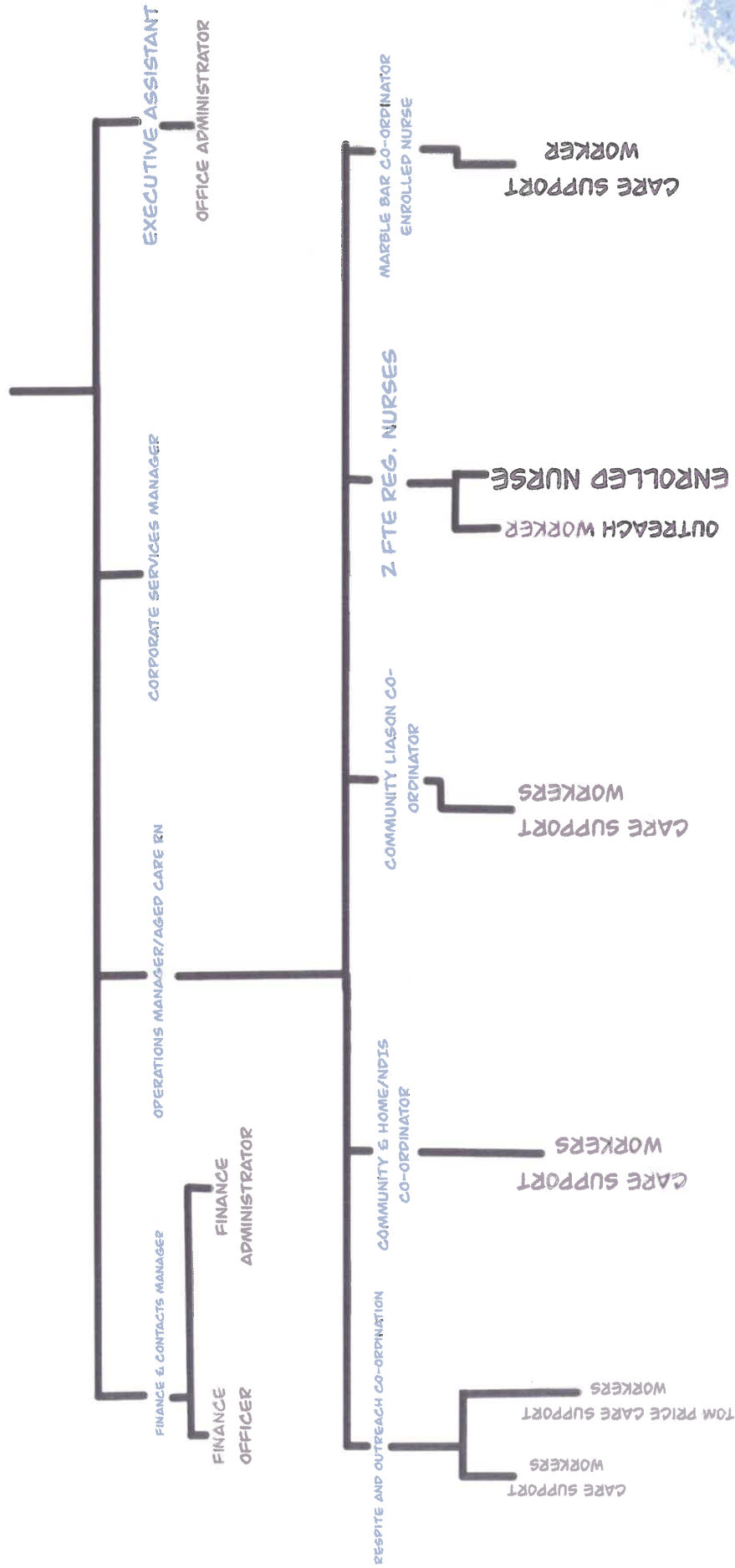
EQUITABLE
ACCESS

SUSTAINABLE
ORGANISATION

ORGANISATIONAL STRUCTURE

BOARD

CEO



EPIS services

NURSING SERVICES

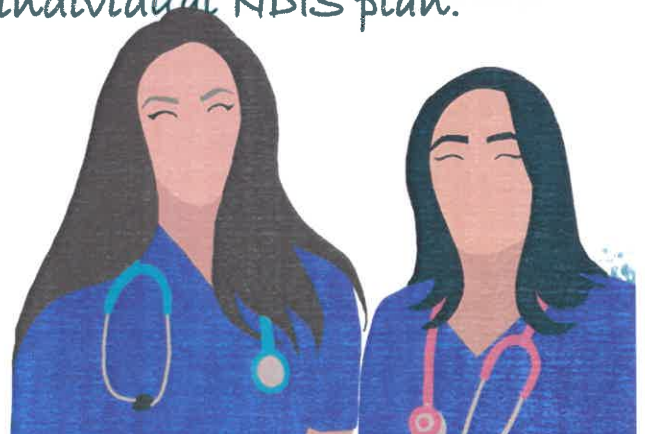
- clinical assessment.
- wound/skin care management.
- stoma care.
- medication management-oral and sub-cutaneous.
- case management and care coordination-escalation, when required is to GP or Newman Hospital.

INTEGRATED TEAM CARE (ITC)

nursing and outreach support for people with chronic disease. Supporting quality outcomes by supporting clients to attend medical appointments and ensuring their medications are available and current.

NATIONAL DISABILITY INSURANCE SCHEME (NDIS)

- service provision as per their individual NDIS plan.
- support coordination.
- plan management.



HOME CARE PACKAGE

-services delivered as per client's package of care (HCP)

COMMONWEALTH HOME SUPPORT PROGRAM

- personal care
- domestic assistance
- transport
- food services
- social support-group
- social support-individual
- Carer support short term respite.
- desert/flexible respite-trips on country.

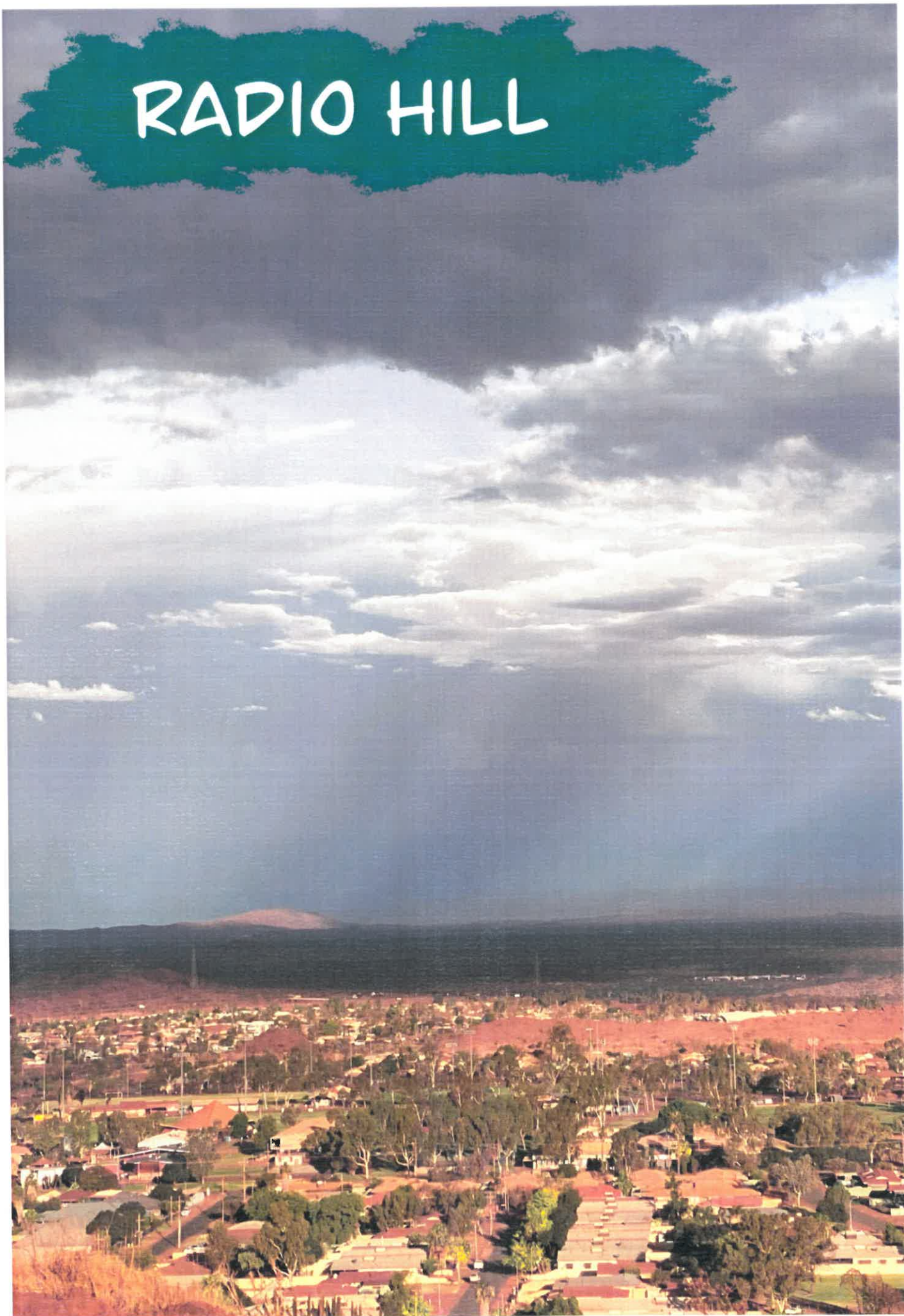


COVID-19 QUARANTINE HOUSE

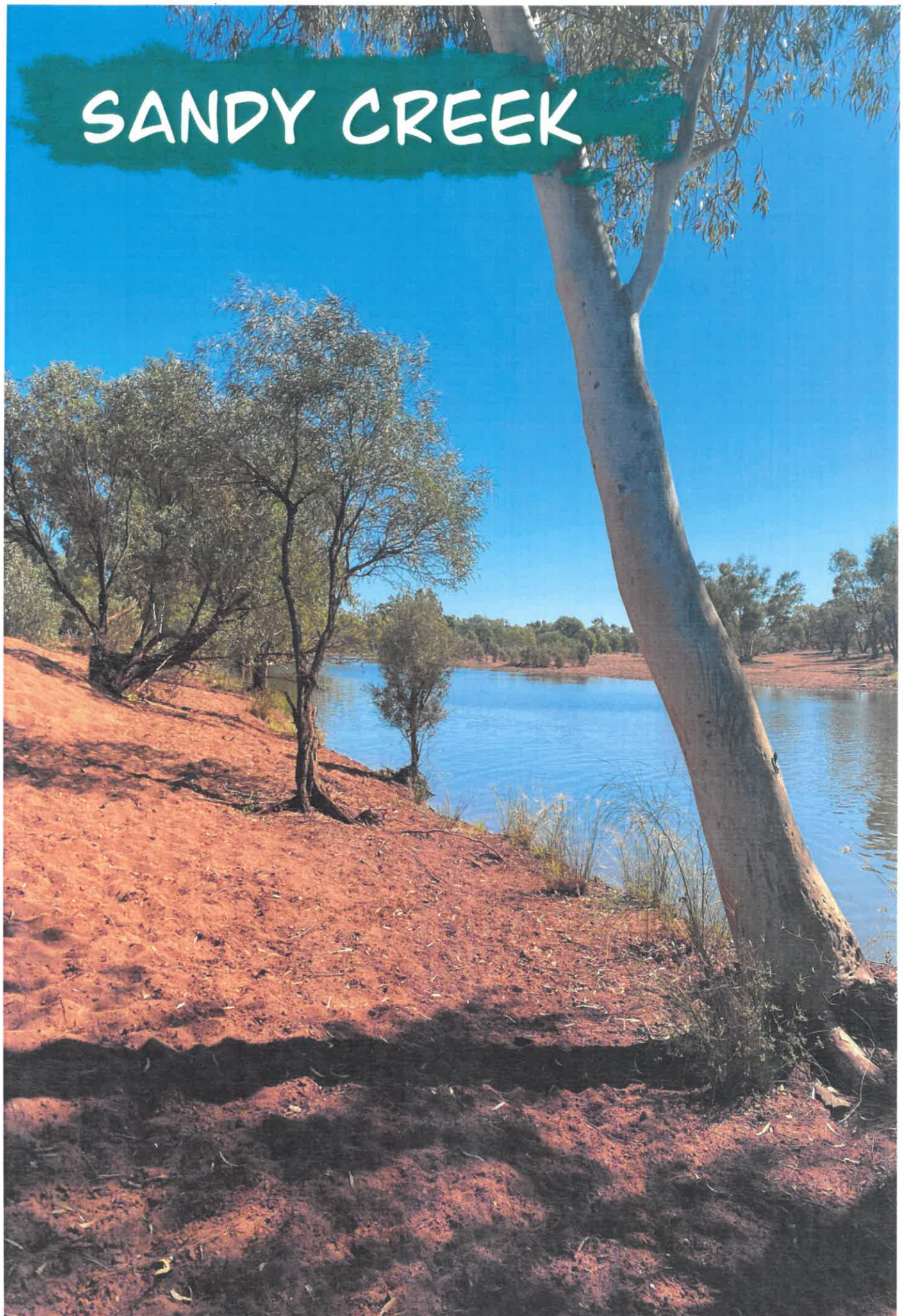
People with influenza type symptoms who are unable to self-isolate are eligible to receive both nursing and care support care 24/7 in the quarantine house until they either recover or require escalating to secondary care at Newman hospital.



RADIO HILL



SANDY CREEK



EPIS Board



Jeremy Edwards

Chairman of the board

Jeremy is skilled Local Government Practitioner with 30 years' experience in senior and executive management roles in both metropolitan and regional areas throughout Western Australia.

Jeremy has a community oriented approach and is committed to enhancing people's quality of life, he has proven leadership and strong Governance skills along with a sound understanding of strategic frameworks in the not for profit and government environment.

Jeremy was appointed to the board as Vice chairperson in 2019 and took over the role as chairperson in 2020. Jeremy holds qualifications in the form of a graduate certificate in management from Deakin University, a Master of Business and Leadership from Curtin University and is a fellow of Leadership WA. Jeremy currently holds the position of chief Executive Officer at the Shire of East Pilbara.]



Christine Darling

Christine Darling is the Commercial Manager of WA earthmoving and plant hire company EMJC. She has an extensive background in accounting and business.

She is well versed in financial accountabilities and has a wealth of practical information to assist the Board across many areas of organisational performance.

Christine has worked in the Pilbara for a number of years.



Lisa Clack

Lisa is currently the Executive Manager of Customer and Community Services with the Shire of East Pilbara, and has a career leading public policy development and programs in both State and Local Government for over two decades. A skilled engager, she is experienced in addressing complex and contentious community issues, attracting divergent views.

Lisa is a current MBA candidate at University of Sydney, holds a Master of Social Science, Bachelor of Arts (Psychology), Graduate Certificate Financial Management, Certificate Financial Accounting, and Diploma of Project Management. Lisa is also a Fellow of Leadership WA.



Maggie Lewis

Maggie Lewis is the manager of the Newman Women's Shelter. She has lived in the East Pilbara all her adult life and has extensive experience in indigenous culture and affairs.

Maggie has used her business acumen and drive to ensure the shelter is one of the most successful, financially viable centres in WA.

She is passionate about local communities and making a difference and brings to our board a high level of cultural understanding and financial solutions



Megan Alchin

Megan Alchin is the MEM Reliability Superintendent for BHP. Megan holds a bachelor of Business and Graduate Diploma in Public Relations.

She is involved in many community focused not for profit organisations here in Newman and brings her extensive community development expertise.



Jeremy Edwards

Chairman of the board

The last financial year of 2019/20 for EPIS has been a challenging one and I am extremely pleased and very proud of our accomplishments for the year, we have all contributed in some way shape or form to the rebuilding this great organisation.

During the financial year we have had some significant changes within the structure of the organisation and the board of EPIS. I was appointed to the board as Deputy Chair in 2019 and then took up the position of Chair earlier this year, during my tenure as Chair we have said goodbye to Christine Darling – Clarke who resigned in March, and Vicki Kershaw who also resigned in March 2020 and became our new Chief Executive Officer. We also saw the resignation of Teresa (Maggie) Lewis as Chair and Linda Sinclair resigned from the board in July. We also welcomed Lisa Clack to the board and Robby Chibawe who unfortunately had to resign due to perceived conflicts with his full time role. A little bit unsettling but I am confident that during 2020/21 we will continue to see less movements and more stability in the board.

On a staffing level we changed CEO's during this period and farewelled Katrina Galley and wished her all the very best. We then embarked upon a recruitment process and it was with great pleasure that we recruited and successfully secured Vicki Kershaw into the role as our new Chief Executive Officer. From a Board perspective this was vitally important to get the right person with the right skill sets and the right fit especially as the organisation began a process of rebuilding. Vicki has brought to the organisation a fresh set of eyes and a real focus of enhanced service delivery for our clients, stakeholder engagement, attention to detail on financial sustainability, governance and in some respects just getting back to the basics. On behalf of the board I would like to thank Vicki and her team for the challenges that you have met from the Board, your accomplishments have been successful and you should all be proud of your achievements.

At a board level we have really been focussed upon improving our Governance, this has been assisted with a clear direction that we have set that includes agreed key performance indicators for the CEO and staff, performance reports being generated by the administration on a monthly basis, financial budget setting, delegations and short, medium and long term strategic planning.

This last year has been a difficult one, COVID-19 came at the same time as our new CEO, the same time as the business realignment process and the same time we were starting to rebuild. Add onto this the responses that we implemented for COVID-19 such as the isolation house in Newman the rebuilding of relationships with our funders and the day to day service delivery – all in all a fantastic effort and myself and the board could not be happier and prouder of the way Vicki and her team have responded – well done.

Going forward for EPIS the challenges are going to remain in place, we need to clearly set out our Strategic Plan and future direction, keep the financial finger on the pulse and most importantly keep up our high standard of service and our meaningful and caring approach to our clients.



Vicki Kershaw

Chief executive officer

The 2019-2020 year has provided challenges and opportunities for EPIS Inc. EPIS has met the challenges of the COVID-19 pandemic and a business realignment to better meet the needs of clients and is now in a strong position to deliver quality services for the most vulnerable in our community. EPIS commits to promoting a culture of life-long learning and supports staff to upskill to ensure services are based on the latest evidence-based best practice.

EPIS, with the support of BHP Vital Resources funding, set up an isolation house in Newman where people with influenza type symptoms could be cared for 24/7 in an environment that is able to manage the risk of any cross-infection. At the time of writing this report, East Pilbara has not had any reported cases of COVID-19. The isolation house has been utilised as an extra respite house for people with chronic disease who do not meet the criteria for support through the Commonwealth Home Support Program (CHSP), Home Care Packages (HCP) or NDIS. EPIS has identified there is a significant number of people under the age of 50 years that have chronic disease but do not meet the criteria for support through Government funding streams. During the 2020-2021 year, EPIS intends to investigate if it is possible to address these identified gaps in service in these very remote rural locations.

To illustrate the enormity of this gap in service it is essential to understand the Martu perspective. Martu people's connection to country has no parallel in the Western world. It is not a sentimental attachment but is a more profound spiritual and cosmological link. Each Martu person is quite literally 'born' out of country. Their belief is that in the creative epoch, the creative beings left traces of their eternal power in rocks, trees and hills throughout the country, which took the form of 'spirit children'. Each Martu person's conception is the entry of a spirit child into their mother – they are in effect biologically linked to specific country. Each has a conception totem – the plant or animal species through which a spirit child physically entered the mother. Within EPIS Inc. these totems are registered for each Martu client as it impacts on the interaction with our clients. A client will not eat their totem so the EPIS team need to be aware when preparing food services or when taking clients back to country of the relevant totems and dietary requirements. It is important that we show respect for our Indigenous clients' lore if we want to 'close the gap' and provide positive outcomes.

psychological terms, country can also be seen as providing the grounding attachment figure for many Martu – the figure in their lives that provides a sense of utter safety, of security, of belonging. This is manifested when people are taken back to their family's country – particularly older people who were born in the desert. Their vitality, joy and peacefulness in that situation are immediately apparent.

When Martu die, they return to jukurrpa – the imminent and eternal life force that created and regulates the world. It is important to re-enter jukurrpa in one's own place – the place from which a person was born and where, in spiritual terms, they belong. The prospect of dying in one's country – in the right place – gives old people a sense of peace.

Newman is not traditionally Martu country, but it is close. It is not foreign, as somewhere like Perth or Port Hedland are foreign. Those places belong to different groups, different people and different lore.

As significant is Martu people's connection to family. Martu are wary of gathering around a family member at the point of death, but in the months, weeks and days leading up to that point, they are close and sustaining. Martu will frequently say 'family is everything', which reflects their entire social structure, based on kinship relations. Martu quickly become distressed when separated from family. It is far more difficult for people to be around a sickly or frail relative when they are in a distant location – financially difficult but also hard to organise because of a myriad of other social obligations.

Supporting Martu to have their last days in a familiar environment, surrounded by familiar people, in a context that fundamentally feels 'right' to them will give them a more peaceful, more dignified and more fulfilled end. During 2020 – 2021 year, EPIS will investigate the possibility of providing a culturally appropriate aged residential care facility in Newman.

LOCATIONS



Newman Head Office:

702 Les Tutt Drive, Newman

PO Box 624, Newman WA 6753

Ph: (08) 9175 5179

Newman Day Centre

702 Les Tutt Drive, Newman

PO Box 624, Newman WA 6753

Ph: (08) 9175 1666

Marble Bar Day Centre

Lot 19 Francis Street, Marble Bar

PO Box 102, Marble Bar 6760

Ph: (08) 9176 1060

Tom Price Day Centre

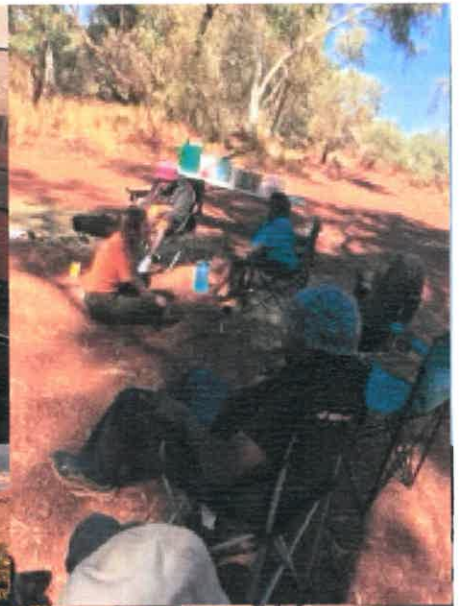
32 Wattle Street, Tom Price

Tom Price WA 6751

Ph: (08) 9189 2260





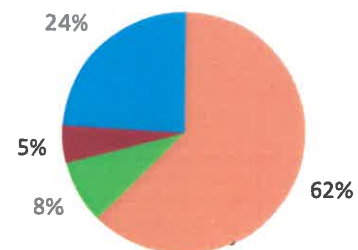




Financial Summary

What have we earned:

Government Funding	\$ 2,497,255.00
Other Grants*	\$ 334,841.00
Home Care Packages	\$ 203,237.00
Other Income**	\$ 961,705.00
Total Income	\$ 3,997,038.00

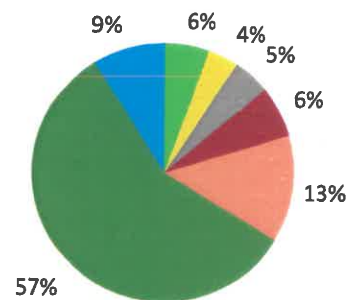


*Includes NJCP and Local/Non-recurrent grants

**Includes Nursing Income, Profit on Sale of Assets, Client Fees, Interest, NDIS Income, Recurrent Funding and Government Subsidies

What have we spent:

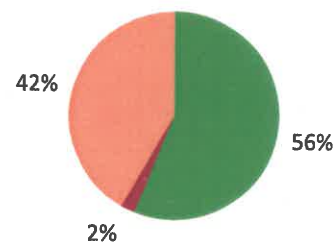
Administration Expenses	\$ 172,625.00
Client Service Expenses	\$ 115,714.00
Motor Vehicle Expenses	\$ 144,098.00
Property Expenses	\$ 200,033.00
Other Expenses*	\$ 416,492.00
Employee Expenses	\$ 1,781,886.00
Depreciation	\$ 277,359.00
Total Expenditure	\$ 3,108,207.00
Net Profit	\$ 888,831.00



*Includes Consultants, Contractors, Marketing, Loss on Sale of Assets Staff Training, Insurance and other minimal expenses

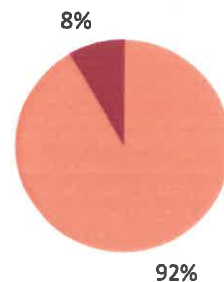
What we own:

Cash & Cash equivalents	\$ 2,379,574.00
Receivables, Prepayments & Bonds	\$ 88,962.00
Property, Plant & Equipment	\$ 1,769,417.00
Total Assets	\$ 4,237,953.00



What we owe:

Trade and other payables	\$ 1,772,084.00
Employee liabilities	\$ 161,246.00
Total Liabilities	\$ 1,933,330.00
Total Net Assets	\$ 2,304,623.00





Compilation report to EPIS Incorporated

We have compiled the accompanying general purpose financial statements of EPIS Incorporated ("the Association") which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The responsibility of members of the Committee

Members of the committee of EPIS Incorporated are solely responsible for the information contained in the general purpose financial statements and for determining that the financial statements and notes gives a true and fair view of the financial position and performance of the Association in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and are in accordance with the *Corporations Act 2001*.

Our responsibility

On the basis of information provided by the members of the committee, we have compiled the accompanying general purpose financial statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements applicable under the *Corporations Act 2001* and Accounting Professional & Ethical Standard 315 *Compilation of Financial Information* (APES 315). We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the members of the committee provided, in compiling the general purpose financial statements. Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than the Association, may suffer arising from any negligence on our part. No person should rely on the general purpose financial statements without having an audit or review conducted.

The general purpose financial statements were prepared exclusively for the benefit of the members of the committee, who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

KPMG

Perth

6 November 2020

EPIS Incorporated
ABN: 58 786 199 721

Annual Financial Statements
For the Year Ended 30 June 2020

EPIS Incorporated

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30 June 2020

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EPIS Incorporated

Committee's report

30 June 2020

Your committee members present their report on EPIS Incorporated ('the Association') for the year between 1 July 2019 to 30 June 2020 and the auditors' report thereon.

1. General information

Information on committee members

The names of each person who has been a committee member during the period and to the date of this report are:

	Appointed	Ceased
Maggie Lewis	July 2016	-
Megan Alchin	August 2015	-
Christine Darling	October 2016	March 2020
Vicki Kershaw	March 2018	February 2020
Linda Sinclair	November 2018	-
Robby Chibawe	March 2020	
Jeremy Edwards	October 2019	

Principal activities

The principal activities of the Association during the financial year were to provide basic services to frail, aged and disabled persons and their carers.

No significant changes in the nature of the Association's activity occurred during the financial period.

2. Operating results

The surplus of the Association for the year amounted to \$888,831 (2019: deficit of \$483,560).

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Events 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.

EPIS Incorporated

Committee's report

30 June 2020

3. Other items (continued)

Likely developments

The Association will continue to pursue new streams of funding to enable us to provide new services to clients.

Further information about likely developments in the operations of the Association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Association has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Association.

Insurance premiums

During the financial year, the Association has not paid premiums in respect of members' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2020 and since the financial year, the Association has not paid or agreed to pay, premiums in respect of such insurance contracts for the year ending 30 June 2021.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 31 and forms part of the Committee's report for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Committee:

Member

 JEREMY LEE EDWARDS

Member

 ARENA POMA

Dated:

8 December 2020

EPIS Incorporated

Statement of profit or loss and other comprehensive income For the year ended 30 June 2020

	<i>Note</i>	2020 \$	2019 \$
Revenue	14	2,832,096	2,417,698
Other income	15	1,160,865	1,109,465
Employee expenses		(1,781,886)	(2,390,466)
Depreciation and amortisation expense		(277,359)	(276,701)
Administration expense	16	(172,625)	(345,830)
Other expenses	17	(854,827)	(999,796)
Operating gain/(loss)		906,264	(485,630)
Finance income	18	4,077	6,212
Finance expense	18	(21,510)	(4,142)
Net finance income		(17,433)	2,070
Net surplus/(deficit)		888,831	(483,560)

The accompanying notes form part of these financial statements.

EPIS Incorporated

Statement of financial position

As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,379,574	786,775
Trade and other receivables		7,843	67,523
Other current assets	6	81,119	75,620
Total current assets		2,468,536	929,918
Non-current assets			
Property, plant and equipment	7	1,696,839	1,847,916
Right-of-use assets	8	72,578	-
Total non-current assets		1,769,417	1,847,916
Total assets		4,237,953	2,777,834
Liabilities			
Current liabilities			
Trade and other payables	9	1,454,813	844,085
Accrued expenses	10	268	48,079
Employee provisions	11	159,108	208,220
Borrowings	12	-	28,408
Lease liabilities	13	66,278	-
Total current liabilities		1,680,467	1,128,792
Non-current liabilities			
Employee provisions	11	2,138	7,119
Borrowings	12	243,342	226,131
Lease liabilities	13	7,383	-
Total non-current liabilities		252,863	233,250
Total liabilities		1,933,330	1,362,042
Net assets		2,304,623	1,415,792
Members funds			
Retained earnings		2,304,623	1,415,792
Total members funds		2,304,623	1,415,792

The accompanying notes form part of these financial statements.

EPIS Incorporated

Statement of changes in equity For the year ended 30 June 2020

	Retained earnings \$	Total \$
Balance as at 1 July 2019	1,415,792	1,415,792
Total comprehensive income for the year		
Surplus	<u>888,831</u>	<u>888,831</u>
Total comprehensive income for the year	<u>888,831</u>	<u>888,831</u>
Balance as at 30 June 2020	<u>2,304,623</u>	<u>2,304,623</u>
Balance as at 1 July 2018	1,899,352	1,899,352
Total comprehensive income for the year		
Deficit	<u>(483,560)</u>	<u>(483,560)</u>
Total comprehensive income for the year	<u>(483,560)</u>	<u>(483,560)</u>
Balance as at 30 June 2019	<u>1,415,792</u>	<u>1,415,792</u>

The accompanying notes form part of these financial statements.

EPIS Incorporated

Statement of cash flows

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from funding bodies & customers		3,194,465	2,320,489
Payments to suppliers and employees		(1,487,977)	(1,889,600)
Interest paid		(16,462)	-
Net cash from operating activities		1,690,026	430,889
Cash flows from investing activities			
Interest received		4,077	6,212
Purchase of property, plant and equipment		(139,867)	(656,037)
Proceeds from disposal of property, plant and equipment		153,011	2,300
Net cash used in investing activities		17,221	(647,525)
Cash flows from financing activities			
Net proceeds from borrowings		(11,197)	254,539
Repayment of lease liabilities		(103,251)	-
Net cash from financing activities		(114,448)	254,539
Net increase/(decrease) in cash and cash equivalents		1,592,799	37,903
Cash and cash equivalents at beginning of year		786,775	748,872
Cash and cash equivalents at end of year	5	2,379,574	786,775

The accompanying notes form part of these financial statements.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

1. Reporting entity

EPIS Incorporated (the Association) is a not-for-profit association domiciled in Australia. The address of the Association's head office is 702 Les Tutt Drive, Newman, Western Australia, 6753.

2. Basis of preparation

(a) Basis of accounting

The Committee has determined that the Association is not publicly accountable.

The Tier 2 general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 2015. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

This is the first set of the Association's annual financial statements in which AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases have been applied. Changes to significant accounting policies are described in Note 4.

The financial statements were approved by the Committee on 18 November 2020.

(b) Basis of measurement

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

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Association's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(e) Going concern

The financial statements have been prepared on a going concern basis.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated incurred with the component will flow to the Association. Ongoing repairs and maintenance is expensed as.

Items of property, plant and equipment are depreciated on a straight-line and/or diminishing basis in profit or loss over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

(iii) Depreciation

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

• buildings and buildings improvements	5-50 years
• plant and equipment	5-20 years
• motor vehicles	5-10 years
• leasehold improvements	5-10 years

Depreciation methods, useful lives and residual values are reviewed at each financial reporting date and adjusted if appropriate.

(b) Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Association has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(ii) Long-term benefits

The Association's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit has been measured at the amounts expected to be paid when the liability is settled.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(c) Revenue

The Association has applied AASB 15 and AASB 1058 from 1 July 2019. The effect of applying AASB 15 and AASB 1058 is described in Note 4.

Revenue recognition under AASB 118: Policy applicable before 1 July 2019

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue recognition under AASB 1058: Policy applicable from 1 July 2019

Income under this standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Revenue recognition under AASB 15: Policy applicable from 1 July 2019

Revenue is measured based on the consideration specified in a contract with a customer and excludes any amounts collected on behalf of third parties. The Company recognises revenue when it satisfies a performance obligation by transferring control over a product to a customer. Invoices are generated at the point of sale and payment terms are generally 14 days.

(i) Grant and donation revenue

Grant agreements are reviewed in line with the requirements of AASB 15 and AASB 1058, as discussed above.

For contracts that satisfy the criteria of AASB 15, revenue is recognised over time, when or as each performance obligation is satisfied based on the input cost method.

For contracts that satisfy the criteria of AASB 1058, the consideration provided to acquire an asset, including cash, is initially recognised as a liability and recognised as income in the profit or loss when, or as, the entity satisfies its obligations under the enforceable agreement. If no consideration was received, the difference being the fair value of the asset transferred is recognised as revenue in the period in which the entity took control of the asset.

If conditions are attached to the grant, which must be satisfied before the Association is eligible to retain the contribution, the grant, will be recognised in the statement of financial position as a liability until those conditions are satisfied.

(ii) Other income

Other income disclosed as 'other income' in Note 15 includes historical service income, client's fees, recoveries and care co-ordination.

Revenue is recognised at a point in time when the rights to receive payment are satisfied.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(d) Finance income

Finance income comprises interest income, which is recognised as it accrues in profit or loss.

Finance costs comprise interest expense on borrowings, credit card charges and bank charges.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(e) Goods and services tax

Revenues, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where GST is charged receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Association becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(f) Financial instruments (continued)

Financial assets

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Association may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Association may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Association makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Association's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Association considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(f) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Association derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Association neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Association enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Association derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Association also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

(g) Impairment

(i) Non-derivative financial assets

The Association recognises loss allowances for ECLs (expected credit losses) on:

- financial assets measured at amortised cost; and
- contract assets.

The Association measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Association's historical experience and informed credit assessment and including forward-looking information.

The Association assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Association is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Association expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Association assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Association has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

(ii) Non-financial assets

The carrying amounts of the Association's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(h) Leases

The Association has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and AASB Interpretation 4. The details of accounting policies under AASB 117 and AASB Interpretation 4 are disclosed separately.

Policy applicable from 1 July 2019

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Association uses the definition of a lease in AASB 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Association allocated the consideration in the contract of each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Association has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Association recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site of which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Association by the end of the lease term or the cost of the right-of-use asset reflects that the Association will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Generally, the Association uses its incremental borrowing rate as the discount rate.

The Association determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(h) Leases (continued)

- the exercise price under a purchase option that the Association is reasonably certain to exercise, lease payments in an optional renewal period if the Association is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Association is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Association's estimate of the amount expected to be payable under a residual value guarantee, if the Association changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the varying value of the right-of-use asset has been reduced to zero.

The Association presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Association has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Association recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Association allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 July 2019

For contracts entered into before 1 January 2019, the Association determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - i. the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - ii. the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - iii. facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

3. Significant accounting policies (continued)

(i) New standards and interpretations not yet adopted

In the period ended 30 June 2020, the Association has reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to the Association and effective for the current reporting period. As a result of this review, the Association has determined that, with the exception for the standards and interpretations described in Note 3(j), there is no material impact of the new and revised standards and interpretations on the Association and, therefore, no material change is necessary to the Association's accounting policies.

(j) New standards currently effective

The Association has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2020.

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income for Not-for-Profit Entities*
- AASB 16 *Leases*

The nature and effects of the changes required are outlined further in Note 4.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

4. Change in significant accounting policies

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of NFP Entities

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services at the amount to which the Association expects to be entitled. If the consideration promised includes a variable amount, the Association estimates the amount of consideration to which it will be entitled. Determining the timing of the transfer of control, either at a point in time or over time, requires judgement.

The Association has adopted AASB 15 and AASB 1058 using the cumulative effect method with the effect of initially applying these standards recognised at the date of initial application (i.e. 1 July 2019). Accordingly the information presented for 2019 has not been restated and no adjustment to the Association's retained earnings at 1 July 2019 is required. Additionally, the disclosure requirements in AASB 15 and AASB 1058 have not been applied to comparative information.

AASB 15 and AASB 1058 did not have a significant impact on the Association's accounting policies and has no effect on the amount or timing of the Association's existing revenue recognition. The adoption of AASB 15 and AASB 1058 has no impact on the Association's statement of financial position as at 30 June 2020 and its statement of profit or loss and OCI for the year then ended.

AASB 16 Leases

AASB 16 *Leases* supersedes AASB 117 *Leases*. The Association has adopted AASB 16 from 1 July 2019. The changes result in almost all leases where the Association is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Association leases some premises (both commercial and residential) and vehicles. Prior to 1 July 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Association is a lessee, the Association recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Association (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Association uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Association under residual value guarantees;
- The exercise price of purchase options, if the Association is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

4. Change in significant accounting policies (continued)

AASB 16 Leases (continued)

Some leases contain extension options exercisable by the Association. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Association to restore the underlying asset, or the Association has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease

On transition to AASB 16 on 1 July 2019, right-of-use assets and lease liabilities of \$205,188 were brought to account.

(i) Impact on financial statements

On transition to AASB 16, the Association recognised additional right-of-use assets and lease liabilities. The impact on transition is summarised below.

	1 July 2019
	\$
Right-of-use assets	205,188
Lease liabilities	(205,188)

When measuring lease liabilities for leases that were classified as operating leases, the Association discounted lease payments using calculated discount rates applicable to each individual lease, based on its incremental borrowing rate, at 1 July 2019.

EPIS Incorporated
Notes to the financial statements
For the year ended 30 June 2020

5. Cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	2,816	4,125
Cash at bank	2,366,618	771,400
Cash at bank reserve accounts	10,140	11,250
Total cash and cash equivalents	2,379,574	786,775

6. Other current assets

	2020	2019
	\$	\$
Prepayments	74,679	62,467
Bonds	6,440	13,153
Total other current assets	81,119	75,620

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

7. Property, plant and equipment

	Buildings and fixtures \$	Plant and Equipment \$	Motor vehicles \$	Lease Improvements \$	Total \$
At Cost					
Balance at 1 July 2019	1,255,258	391,524	793,081	314,079	2,753,942
Additions	-	28,036	111,831	-	139,867
Disposals	-	(42,039)	(322,777)	-	(364,816)
Balance at 30 June 2020	1,255,258	377,521	582,135	314,079	2,528,993
Depreciation					
Balance at 1 July 2019	(46,826)	(221,694)	(500,334)	(137,172)	(906,026)
Depreciation expense	(36,340)	(59,412)	(54,850)	(26,243)	(176,845)
Disposals	-	42,736	207,982	-	250,718
Balance at 30 June 2020	(83,166)	(238,370)	(347,202)	(163,416)	(832,154)
Carrying amount at 30 June 2020	1,172,092	139,151	234,933	150,663	1,696,839
At Cost					
Balance at 1 July 2018	776,847	488,659	695,023	314,079	2,274,608
Additions	479,320	26,782	123,289	-	629,391
Disposals	(909)	(123,917)	(25,231)	-	(150,057)
Balance at 30 June 2019	1,255,258	391,524	793,081	314,079	2,753,942
Depreciation					
Balance at 1 July 2018	(19,270)	(276,223)	(397,994)	(110,928)	(804,415)
Depreciation expense	(49,913)	(93,775)	(106,769)	(26,244)	(276,701)
Disposals	22,357	148,304	4,429	-	175,090
Balance at 30 June 2019	(46,826)	(221,694)	(500,334)	(137,172)	(906,026)
Carrying amount at 30 June 2019	1,208,432	169,830	292,747	176,907	1,847,916

*Total depreciation in the Statement of Profit or Loss and Other Comprehensive Income of \$277,359 includes depreciation of \$100,514 in relation to leases recognised under AASB 16 as disclosed in Note 8.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

8. Right-of-use assets:

The Association leases motor vehicles and premises.

Information about leases for which the Association is a lessee is presented below

i) Right-of-use assets

	30 June 2020 \$
Premises	
Balance at 1 July	141,351
Depreciation	(88,227)
Balance at 30 June	53,124
Motor Vehicles	
Balance at 1 July	31,741
Depreciation	(12,287)
Balance at 30 June	19,454
	72,578

ii) Amounts recognised in profit and loss

	Leases under AASB 16 30 June 2020 \$	Operating leases under AASB 117 30 June 2019 \$
Interest on lease liabilities	3,820	
Depreciation of right-of-use assets	100,514	
Lease expense		163,288
	104,334	163,288

9. Trade and other payables

	2020 \$	2019 \$
Trade payables	58,721	34,035
Grants in advance	1,224,384	551,396
GST payable	103,902	71,331
Other payables	67,806	187,323
Total trade and other payables	1,454,813	844,085

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

10. Accrued Expenses

	2020	2019
	\$	\$
Wage and superannuation	268	48,079
Total accrued expenses	268	48,079

11. Employee Provisions

	2020	2019
	\$	\$
Current		
Provision for annual leave	146,363	194,209
Provision for long service leave	12,745	14,011
	159,108	208,220
Non-Current		
Provision for long service leave	2,138	7,119
	2,138	7,119

12. Borrowings

	2020	2019
	\$	\$
Current		
Residential housing loan	-	28,408
	-	28,408
Non-Current		
Residential housing loan	243,342	226,131
	243,342	226,131

13. Lease liabilities

	2020	2019
	\$	\$
Current		
Lease liabilities	66,278	-
	66,278	-
Non-Current		
Lease liabilities	7,383	-
	7,383	-

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

14. Revenue

The effect of initially applying AASB 15 and AASB 1058 on the Association's revenue from contracts with customers is described in Note 4.

	2020	2019
	\$	\$
Grants - Home support	1,432,927	1,273,744
Grants - Respite funding	1,064,328	965,616
Other grants	334,841	178,338
Total revenue	2,832,096	2,417,698

15. Other income

	2020	2019
	\$	\$
Nursing	106,312	298,958
HCP	203,237	139,826
NDIS	235,638	94,320
Government subsidy	98,000	-
Profit and loss on sale of assets	52,624	24,746
Other income	465,054	551,615
	1,160,865	1,109,465

16. Administration expenses

	2020	2019
	\$	\$
Accounting and audit	35,833	86,165
Computer	36,913	47,814
Fees	42,788	52,613
Meeting	1,402	27,447
Office	46,867	62,927
Travel	8,822	68,864
Total administration expenses	172,625	345,830

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

17. Other expenses

	2020	2019
	\$	\$
Advertising	18,663	10,550
Bad debts expense	-	29,686
Client service fees	115,714	105,765
Consulting and contracting	79,348	80,376
Insurance	157,911	120,461
Loss on sale of assets	13,712	3,134
Materials	-	110,403
Motor vehicle expenses	144,098	196,446
Property expenses	201,233	179,971
Rent	(1,200)	37,148
Staff training	12,519	66,333
Other expenses	112,829	59,523
Total other expenses	854,827	999,796

18. Financial Income

	2020	2019
	\$	\$
Interest income	4,077	6,212
Finance income	4,077	6,212
Bank charges	(1,228)	(943)
Interest expense	(20,282)	(3,199)
Finance expenses	(21,510)	(4,142)
Net finance income	(17,433)	2,070

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

19. Cash flow reconciliation

	<i>Note</i>	2020 \$	2019 \$
Cash flows from operating activities			
Profit for the period		888,831	(483,560)
Adjustments for:			
Depreciation and amortisation	7	277,359	297,626
Interest income	18	(4,077)	(6,212)
Bad debts expense		-	29,686
Interest expense		3,820	-
Net gain on sale of assets	18	(38,912)	(21,612)
		1,127,021	(184,072)
Changes in assets and liabilities:			
Change in trade receivables		59,680	(97,209)
Change in other current assets		(5,499)	(22)
Change in provisions and employee benefits		(54,093)	74,766
Change in trade and other payables		562,917	637,426
		1,690,026	430,889
Net cash generated from operating activities		1,690,026	430,889

20. Related party

(a) Transactions with key management personnel

(i) Key management personnel compensation

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Key management remuneration is comprised of short-term, long-term and post-employment employee benefits of \$273,634.99 (2019: \$394,268.65). The total number of key management personnel included for 2020 is 8 (2019: 4).

21. Contingencies

In the opinion of the Members, the Association did not have any contingencies at 30 June 2020 (2019: none).

22. Commitments

During the year ended 30 June 2020, the Association did not enter into any commitments. The Association took out a mortgage for the purchase of a property in Newman during the year ended 30 June 2019.

EPIS Incorporated

Notes to the financial statements

For the year ended 30 June 2020

23. Subsequent events

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.

EPIS Incorporated

True and fair certification by members of the Committee

For the year ended 30 June 2020

1. In the opinion of the Members of the Committee of EPIS Incorporated ('the Association'):

- (a) the Association is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 1 to 27 are in accordance with the *Associations Incorporation Act 2015*, including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 2015*; and
- (c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Committee:

Dated on 18th day of NOVEMBER 2020.

Member  ARANTXA

Member  JEREMY EDWARDS.

**EAST PILBARA INDEPENDENCE SUPPORT INCORPORATED
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED JUNE 30th 2020**

To the Members of East Pilbara Independence Services Inc.

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the East Pilbara Independence Support Inc (EPIS) which comprises the Committee's Report, Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements (including Statement of Significant Accounting Policies and other explanatory notes) and the True and Fair Certification by Members of the Committee for the financial year ended June 30th 2020.

In my opinion the financial report of EPIS 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 registered entity's financial position as at June 30th 2020 and of its financial performance for the year then ended; and
- b) Complying with the Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Regulation 2013.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those Standards are further described in the *Auditors Responsibility for the Audit of the Financial Report* section of my report. I am independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Boards APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2020 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our [my] auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. My 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 registered 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 represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.


Basis of Accounting

Without modifying our opinion, I draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist EPIS Inc. to meet the requirements of its Constitution, the applicable Accounting Standards and other professional reporting requirements. As a result, the financial report may not be suitable for another purpose.

Auditor's Opinion

In my opinion, in all material respects the financial position of the EPIS Inc. as at 30th June 2020 and of its financial performance for the year ended on that date complies with the accounting policies described in Note 2 to the accounts.

Signed at Roleystone this 5th day of November 2020.



Ray M'Manus MIPA AFA

ARALUEN ACCOUNTANCY
57 Ridgehill Rise
Roleystone WA 6111

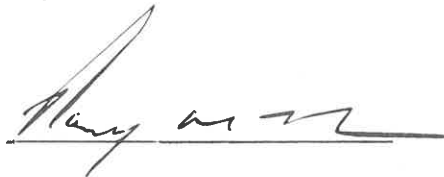
**AUDITORS INDEPENDENCE DECLARATION
TO THE COMMITTEE OF
THE EAST PILBARA INDEPENDENCE SUPPORT INC.**

I declare that to the best of my knowledge and belief, during the year ended 30th June 2020 there has been:

- (i.) no contraventions of the auditor independence requirements as set out in the Section 307C of the Corporations Act 2001 in relation to the audit; and
- (ii.) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Araluen Accountancy

Name of Principal: Raymund McManus



Date: 5th November 2020

Address: 57 Ridgehill Rise,
Roleystone WA 6111

