



ANNUAL
REPORT
2018



Acknowledgement of Country

Indigo Junction acknowledges the Whadjuk people of the Noongar nation, the traditional custodians of the land on which we stand, and we pay our respect to the elders past and present.

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Indigo Junction Incorporated
ABN 32 879 844 973

The Annual Report of Indigo Junction was created and designed by Kellie Wigg.

Indigo Junction's General Purpose Financial Report produced by Australian Audit.

Privacy Statement : Indigo Junction Inc. follows the Australian Privacy Principles and respects the privacy of the people it assists, its members, volunteers, employees, donors and supporters. As a result, the names and images used within this report may have been changed.

About Us



Vision

Everyone has the right to a safe place to live and grow.



Mission

We work together with people to build skills, capacity and independence. We achieve this by:

- Offering safe, secure and affordable housing.
- Working in a way that is genuine, authentic and compassionate.
- Ensuring our service provides respectful and consistent responses that build trust and promote emotional safety.
- Promoting independence, education and personal development.
- Building capacity for social and economic participation.



Values

Dedicated

our team is caring and compassionate.

Accepting

we respect and value the beliefs and life experience of others.

Creative

we provide a service which is tailored to individual needs.

Informed

our team has the skills and knowledge required to support positive change.



Lynne Evans, Chairperson

Adele Stewart, Interim CEO

Indigo Junction is a not-for-profit organisation located in Midland, Western Australia that provides homelessness services to people experiencing disadvantage in our community. We deliver a range of place-based services that are accessible and responsive in times of crisis and create long-term positive change through trauma informed care. We have grown to provide a sophisticated suite of early intervention and prevention programs to young people, families and individuals and aim to build self-reliance through education and create lasting change by promoting the end goal of economic and social participation.

At Indigo Junction we understand that it's not a quick resolve when helping people out of their current situations. We take the time with clients to engage and build relationships, ultimately providing pathways out of homelessness whilst supporting them every step of the way. As such, Indigo Junction has a lower annual turnover rate with a high success rate.

A message from our Chair & CEO

Our organisational achievement demonstrate both the strength and the potential of Indigo Junction and its ability to implement changes, make decisions and review our place as the key homelessness provider in Midland. We are now positioned to move forward with our Strategic Planning and continue to deliver the quality and client focussed services we are known for, with the staff and the Board aligned to ensure the organisation maximises its impact on delivering on our belief that everyone has the right to a safe place to live and grow.

Continuing on from our last annual report, the organisation has reviewed governance practises including updating our constitution to include maximum terms for Board members and developing a new and active Board. To that end we thank retiring Board member Peter

Andrew for his long term commitment and work across many positions in the governance team. His expertise around the sector has been invaluable and welcomed. We also thank Nikki Rollason who resigned earlier in the year because of work commitments.

This year we were registered as a community housing provider and we thank the previous CEO David Parkhouse and staff in achieving that milestone and the related review of our internal infrastructure. We wish David happiness and enjoyment in his travels.

We acknowledge and thank the staff for their commitment and professionalism over a period of considerable change and thank all our Board members for their hard work, engagement and commitment over the past year.

Our Board

Corporate Governance

Indigo Junction is committed to good governance and follows Australian Institute of Company Directors Principles and Guidance and ACNC governance standards. Transparency, open communication and sound risk management practices are integral to this framework. Our Code of Conduct describes the behaviour expected from the Board and staff, maintaining the highest standards of integrity. The Code of Conduct is available on our website.

Special appreciation to past Board members Peter Andrew, Nikki Rollason and Joanne Watt for your valuable contribution during the 2017/18 financial year.



Ron Mell, Secretary



Pippa Marando



Max Cozijn



Paul McMullan



Karen Roberts



Bill Thorne

Finance Committee

Oversees financial management, the relationship with the external auditors, and internal financial control and reporting compliance systems.

Governance and Risk Committee

Helps meet Indigo Junction’s legal, ethical and functional responsibilities through adequate governance policy development. Provides oversight of governance and risk systems and monitors development and implementation of the Strategic Plan.



Lynne Evans, Chairperson

Thank you to our Partners

Volunteers

Volunteers play a vital role in helping Indigo Junction provide important services to the community. Indigo Junction thanks all of its volunteers for their commitment, dedication and support. Their contribution to our community is highly valued.

Funding Bodies

- City of Swan
- Dpt of Communities, Housing Authority
- Dpt of Communities, Child Protection & Family Support
- Dpt of Social Services
- Dpt of the Attorney General
- Dpt of Prime Minister and Cabinet
- Dpt of Education
- Lotterywest
- Swan Alliance Communities for Children
- At Work Australia

Partnerships

- Street Doctor 360
- Orange Sky Laundry
- Wungening Aboriginal Corporation
- Kinship Connections
- Centrelink
- Whitelion
- Centrecare Wungening Family Support Network
- Bassendean Youth Service, Housing
- St Vincent de Paul Society WA, Housing
- Anglicare WA, Home for Now

Relationships

Indigo Junction has strong community links and networks in the Midland and surrounding area. These partnerships help support Indigo Junction services through collaboration and referral and we look forward to continuing these strong relationships in future.

Donors

Thank you to all our donors who have contributed to Indigo Junction’s services and programs ultimately helping our clients have a better life by providing pathways out of homelessness and disadvantage.



Our Impact



Indigo Junction supported

4,386

people in Midland & surrounds in 2017/18



Assistance Provided

| | | | |
|-------------------------|--------|------------------------|-------------|
| Housing & Accommodation | 213 | Emergency Relief | 1,379 |
| Bed nights | 27,702 | Financial Counselling | 382 |
| Food | 837 | Strong Fathers Program | 35 |
| Medication | 50 | Lit Up Program | 78 |
| Transport | 360 | Lift Program | 1,976 hrs |
| Sleeping Bags / Swags | 12 | NPAH | 12,460 days |
| Home Starter Kits | 40 | Drug Education Program | 360 |

“

Learning to read and write has changed my life! It has made day-to-day activities easier and my next goal is to find a job. I used to think that goal was impossible - but now I'm really hopeful.

”

- Arron, 24



Arron is 24 years old. He has difficulties with reading and spelling which makes it challenging for him to find employment and complete necessary documents and forms for agencies such as Centrelink and banking institutions. This together with other challenging factors has caused frustration and had a large impact on Arron's self-esteem.

Indigo Junction's Literacy Specialist, Sophie, works with Arron through Indigo Junction's Lit-Up program, an accessible one on one adult literacy program designed to meet individual literacy levels for people who have difficulties reading.

Sophie started working with Arron in October last year and at that time he experienced feelings of shame. Although Arron had gaps in his learning, he was pleased when Sophie explained that his spelling mistakes were logical. It was at this time that he decided he would return for another lesson, and has been engaged in the program ever since. Initially Arron had to overcome negative associations in relation to sounding out words as he associated breaking words into syllables as being 'babyish'. When Arron saw that his spelling improved as a result of sounding out words using syllables he was more inclined to persevere.

As Arron develops more trust with Sophie, he is gradually getting more comfortable and less defensive when he makes mistakes. His reading fluency has increased and his spelling and vocabulary has extended. Arron is making a conscious effort to look for employment despite the challenging circumstances that surround him at present.



Family

Indigo Junction's Family Service provides support for families experiencing homelessness in Western Australia.

Our five on-site units located at Indi Place provide housing for young parents under the age of 25 years; whilst our transitional accommodation, Indi Living, provides 19 community based properties for people experiencing homelessness with children in their care.

Indigo Junction's Intensive support service includes provision of housing, goal planning, tenancy education, links to in-house assessable education programs and referrals to relevant service providers.



128

people provided with accommodation



84%

of families supported were of Aboriginal descent



12.5%

people supported escaped domestic violence

Meet Bec

Indigo Junction's Family Support Worker

Bec works as a Family Support Worker at Indigo Junction's family service. She ensures clients are safe and supports families residing in Indigo Junction's crisis and transitional accommodation towards more independent living by empowering them with life skills.

"Each client has their own journey. It's great to be able to support and encourage people to have a better life. This job can be tough but it is also very rewarding" says Bec.

Recently, Sharon, a 27 year old Aboriginal woman, was referred to Indigo Junction by Entrypoint Perth. Sharon and her son were couch surfing between friends and family due to experiencing homelessness over the past 6 months. They previously lived with Sharon's Grandfather however when he passed away, they no longer had a place to stay.

Sharon previously listed with the Housing Authority and was on their waiting list for accommodation. She applied for priority listing, however she was not linked in with services that could provide support

letters and so her application was declined.

"Waiting lists with the Housing Authority are long so it can take years before your name comes up. It's dangerous out on the streets, and for a single mother it's an environment you would do anything to keep your children away from. Thankfully we were able to offer Sharon transitional accommodation for up to 12 months through our family service" said Bec.

Bec explained the lease agreement in detail to Sharon to ensure she understood her contact, and she provided her with a starter kit which included cutlery, dinnerware, cleaning products, linen and other homeware. Bec then contacted other support services to attain second hand furniture for Sharon's new home.

"Sharon was so happy not only for the accommodation, but the starter kit really meant a lot to her. She finally has some household items of her own now, something she and her son can keep and take with them into the next home".

Sharon's son had not attended school for 5 months due to homelessness, and with Bec's support she enrolled her son in the local primary school.

"Once Sharon's son was back in school I worked with her to get her on the Housing Authority priority list so she could gain permanent housing"

Bec encouraged Sharon to update her application to include her son, provided support letters and scheduled a priority interview with the Housing Authority.

"At the interview, Sharon was approved for priority listing. It was a big relief for her. I saw a change in her confidence after that, these small wins and achievements can make a big impact on someone. With her confidence high, I encouraged Sharon to search for employment".

Bec assisted Sharon to update her resume and facilitated job searching sessions.

"Sharon was offered an interview for a traineeship in aged care. It was a great achievement! I practiced

interview techniques with her in preparation of the interview. I was over the moon when Sharon was advised she had been successful, but the news got even better as after Sharon completed the traineeship she was offered permanent employment."

Sharon met with Indigo Junction's Financial Counsellor and as a result commenced budgeting to address historical debt.

After residing in her transitional property successfully for 6 months, Housing Authority offered Sharon long term housing and she accepted.

Bec is committed to empowering people like Sharon and support their journey to address each families needs.

“ The best part of my job is building relationships and seeing the big smiles on the children's faces. Kids grow so much once they are in stable housing and have access to regular meals. ”



Youth

Indigo Junction's Youth Service provides support for young people between the ages of 15 and 25 who are currently experiencing homelessness in Western Australia.

Indigo Junction's intensive support service includes provision of housing, goal planning, tenancy education programs and referrals to relevant service providers.

Our crisis centre, Indi House, provides 6 on-site places for young people and is staffed 24 hours a day; whilst our transitional housing, Indi Living, provides 6 community based share houses and can support up to 18 young people at one time.



48

young people provided with crisis or transitional accommodation



18.8%

young people leaving the Dpt. of Child Protection



58.3%

young people diagnosed with mental illness

Meet Judy

Indigo Junction's Alcohol & Drug Education Support



Judy's passion is to help young adults create meaningful and positive changes in their lives.

A qualified Youth and Community Services worker, Judy specialises in Alcohol and Other Drug (AOD) and suicide awareness and has a particular interest in at risk and disengaged youth,

At Indigo Junction, Judy provides important one to one support for young people and runs weekly and personalised drug education programs helping to reduce the risks and harms associated with drug and

alcohol use.

Her excellent communication, negotiation and advocacy skills infused with her great energy results in a high percentage of client success stories and safeguards her as a strong asset to the Indigo Junction team.

An existing client, Sarah 22, said "When I first came to Indi House for help, I felt worthless and didn't have any self-care. I hated myself and felt lonely and depressed. Since working with Judy on a regular basis and participating in her AOD support program, I feel valued

for the first time in my life! I am proud to be drug free and I'm starting to feel like I did when I was a kid - my bubbly, outgoing and confident personality is slowly shining through again. I feel like I can take on the world."

Judy is committed to the notion of empowerment and self-determination with all young people and strongly believes that recovery is possible through collaboration when the client is ready. She is dedicated in helping young people live a more fulfilled and healthy lifestyle.

“Helping young people with an AOD problem is sometimes challenging but also very rewarding. I go home knowing I've made a difference that day.”

Drug Education Program

Indigo Junction's Drug Education Program provides confidential AOD assessment and counselling to young people aged 15 to 25 years and integrates with Indigo Junction Youth Service to achieve positive outcomes for young people in crisis.

The program provides drug education, individualised planning, group sessions and a holistic wellbeing program.

It is the intention of Indigo Junction to act from a Harm Minimisation prospective with the focus being on Demand and Harm Reduction strategies through the provision of a service that is also mindful of the uniqueness of the individual and their cultural diversity. Support is tailored to each person.





Living Independently For The First Time (LIFT)

Indigo Junction's LIFT Program (Living Independently for the First Time) provides intensive support and accommodation for young people leaving the care of the Department for Communities: Child Protection and Family Support (DOC: CPFS) who are at significant risk of homelessness.

Most often these young people have experiences of extreme trauma in their childhood: pre-care; during care and post-care.

The LIFT program aims to heal through the delivery of evidence-based and recognised trauma-informed care and therapeutic responses to ensure young people feel safe and supported.

This allows the LIFT Team to build capacity and increase the young person's knowledge and confidence around independent living skills and reduces the likelihood of future crisis and time spent without a stable home.

Indigo Junction aims to support young people towards more independent living by empowering them with life skills using strategies such as role-modelling and hurdle help.

The LIFT Program model has been making a name for itself in academia and policy alike for being a model that works in the long run, seeing lasting results.

“LIFT has taught me how to look after my house. I am good at it. I never knew what to do before. I'm very grateful to Indigo Junction.”



Karnany Resource Centre

Karnany Resource Centre is an open door service for street present people and those directly affected by crises. It offers a safe place for clients to share their story.

An integrated service hub, Karnany delivers a range of complementary services and is home to the delivery of Indigo Junction's Financial Counselling Capability and Resilience Hub, Emergency Relief through its Financial Crisis service, Strong Fathers program and NPAH Housing Support Program.

Karnany also provides a base for external outreach services including AOD counselling, the Street Doctor, Centrelink and Orange Sky Laundry.

We continue to be accessible and responsive in times of crisis, creating long-term positive change and an increase of self-reliance through opportunities for education and capacity building by promoting economic and social participation.



1,975 people assisted



47 street present people assisted per week



78 people taught how to read and write

Strong Fathers Program

The Strong Fathers' Program supports fathers of Aboriginal children to further empower themselves, their family and ultimately their children to create positive relationships and build networks within the community. The program supports these fathers to improve their wellbeing and increase their knowledge and confidence to reduce the likelihood of future crises.

The Strong Fathers' Program provides advocacy and referrals within a professional,

accessible, culturally sensitive and high quality service delivery approach which is supported by Aboriginal staff.

This year, the Strong Fathers' Program has undertaken comprehensive evaluation processes that will take the Program from Emerging Practice status to Promising Practice status, which ensures that we have more access to funding. Further to this, the Strong Fathers' Program has aspirations to be an Evidenced Based Program.



Meet Jon

Indigo Junction's Strong Fathers Worker

Jon is an accredited Alcohol and Drug, Strong Spirit Strong Mind worker who heads up the Indigo Junction Strong Fathers program and works with men who care for Aboriginal children from birth up until 12 years of age.

Based out of Indigo Junction's integrated community hub, Karnany Resource Centre, Jon spends his time with around 10 men each week providing a wide range of support to meet each individual's requirements.

No two days are the same in Jon's role as each client faces a variety of unique challenges. Clients may be referred to the Strong Fathers programs from various agencies or they may self-refer as a walk-in client through Karnany.

Jon provides a safe place for men to share their stories and often delivers informal counselling whilst setting up recovery pathways through soft referrals to various

support services. He sets realistic goals with each client and empowers them to build positive relationships with their children and family.

An existing client, Jason 36, says "I'm truly speechless and in awe, all the kindness my brother has shown to me, and not only me cause this has a positive impact that will leave a lasting impression of hope with my children as well. I am a single parent with sole care of four children aged 8 - 17 years. My children and I were homeless and I was caught in the cycle of drugs and alcohol which I used to help cope with my parenting challenges and extended family pressures. Indigo Junction provided my family with transitional accommodation through their family service and just one day after I had moved in Jon came to see me in my new home. Jon supported me across many areas of my life, he referred me to Indigo Junction's Financial Counsellor who helped

me with outstanding bills and basic house hold items, and Jon himself helped me to enrol and re-engage my children in school. He then introduced me informally to the Wungening Alcohol and Drug Counsellor based at Karnany and I started attending weekly sessions which helped me on a path of recovery. I am happy to say I have now been sober for 8 months. Jon also invited me to attend an Aboriginal Men's Yarning Group with him and each week would pick me up as I didn't have transport, and at times he would even take my children and I to low cost family outings. I don't know where I would be if Jon didn't believe in me!"

Jon is passionate about investing his time to help build confidence, knowledge and awareness in Aboriginal men and encourage them to step out of their comfort zone and role model in their community.



Financial Wellbeing and Capability Hub

Indigo Junction's Financial Wellbeing and Capability Activity services support people most at risk of financial disadvantage and exclusion by providing financial counselling, financial education and emergency relief assistance.

Our staff provide immediate basic needs and essential supplies in time of crisis, delivering services in a way that maintains the dignity of individuals and families; and improve financial capability by supporting people to make informed choices that address their financial difficulties and build their capacity to manage money.

Clients are allocated extended appointments which provide them the opportunity to tell their stories and ultimately allows staff to identify any underlying issues so they can provide a holistic approach to the support.



382

people were provided financial counselling



1,379

instances of emergency relief





NPAH Housing Support

NPAH housing support is an intensive case management support program to assist people who are having difficulty securing or maintaining stable accommodation.

The program focuses on three key strategies to reduce homelessness:

- prevention and early intervention to stop people becoming homeless;
- breaking the cycle of homelessness;
- improving and expanding the service response to homelessness.

People accessing the program are allocated a Housing Support Worker and together they create a long-term housing plan. Once the ideal type of housing has been identified the Housing Support Worker assists each individual to develop the skills and capacity to live independently.

People are also supported to access services that address a range of issues identified which could include mental health, addiction, physical health, financial management and employment.



Lit Up Program

Lit Up is an accessible one-on-one literacy program for people who have difficulties reading in the community. It is a unique and individualised program that offers supportive lessons designed to meet each person's literacy level.

People with literacy difficulties often feel

discouraged and ashamed of their inability to read and will find ways to 'hide' their illiteracy.

Lit up builds opportunities for our clients by assisting them in achieving the tasks many take for granted, such as opening a bank account or completing necessary forms.

“My husband had a serious accident last year which affected our family emotionally and financially. My children were going to school without food as we simply didn't have any. Indigo Junction has supported us through this difficult time and we are slowly getting back on our feet.”

- Molly, 33



Molly, Garth and their two children, 13 year old Emily and 9 year old Jackson, are an Aboriginal family who live in Midland WA. Garth worked in the transport industry and was the bread winner of the household until a serious car accident in 2017 which has seen him on a long road of recovery over the past 13 months. Sadly Garth's accident affected his capacity to work in the labour intensive role he held prior to the accident.

“When the accident took place, I was just happy he was alive, my kids still had their dad” said Molly. “I knew it would be a difficult path ahead of us, but I didn't consider how difficult it would become”.

Having no wages coming in and the medical bills piling up, Molly and Garth quickly spent their small amount of savings to pay rent and ensure they had a roof over their heads. Before long the family found themselves in a desperate situation. They struggled to pay rent, utility bills, rehabilitation and medication costs, as well as putting food on the table - they simply couldn't do it all.

“First, Garth's rehabilitation became less and less. We could only supply him what we could gain through the Medicare system and we knew the limited sessions was slowing down his recovery process, but whatever happened we needed to keep

our home! I didn't want my children to go through what I did as a child”.

Molly had a history of homelessness and had previously been engaged with Indigo Junction's family service as a young teenager where she was housed in Transitional Accommodation with her father.

“Life on the streets was hard, it was unsafe and often scary. I didn't want that for my children”.

Emily and Jackson continued going to school during their family's difficult financial times, however there was often no food to take for lunch and at times none available for breakfast. Molly knew they needed help!

“Years ago Indigo Junction saved my life by helping my father and I get off the streets. I knew I could turn to them again”.

Molly visited Indigo Junction's Karnany Resource Centre and sat with Cassie, Indigo Junction's Financial Capability Worker. Cassie was able to supply Molly with emergency relief support and bill negotiations which immediately helped with utility bills and food assistance. Cassie also encouraged Molly to set a financial goal plan and referred her to a Centrelink case worker who visits Karnany Resource centre on a Tuesday morning to see if there were payments the

family may be eligible for which they had not been receiving.

Molly expressed to Cassie she was interested in gaining employment however was worried due to the tight schedule around her children's schooling and Garth's rehabilitation. Cassie referred Molly to an employment support agency to see if they could help.

“Garth still needs a lot of assistance throughout the day, so it has been hard for me to get a job. Thanks to the support of Indigo Junction and their referral services, I now have a job which works around my family's requirements. I clean offices which allows me to work in the evening or early mornings. It brings in a little extra income which helps us get by. We are looking forward to Garth returning to full health and getting back to work - we are just so thankful for Indigo Junction's support to get us through a very difficult time in our lives”.



Our People

Indigo Junction employ 35 staff with around 27% being from Aboriginal descent. The high ratio of Aboriginal staff supports a culturally safe and welcoming environment.

Our staff have a passion for people and work hard to provide an effective response to homelessness. They are results driven and focussed on solutions, meaning we don't just manage people and their situations, we are committed to providing pathways which support people out of those situations.

Indigo Junction approaches learning as being part of each and every role, every day. Our quality assurance and learning framework encompasses building a foundation on quality and safety, developing people and their role, and developing specialised skills.

35 STAFF

27% Aboriginal

4 YEARS
Average Aboriginal
Staff Retention Rate

Financial Summary 2017/18

The net operating profit of Indigo Junction for the financial year ended 30 June 2018 amounted to \$282,006 (2017 \$33,165).

After an asset devaluation of \$345,782 (refer note 18.2 of the General Purpose Financial Report), the total comprehensive loss for the year was \$63,776 (2017 income \$33,165). This result was achieved on total revenues of \$3,006,680 (2017 \$2,771,613) with continuing funding support from a range of grants with a significant contribution from the Department of Communities.

Our total operating costs for the year were \$2,724,674 (2017 \$2,738,448).

2017/18
Net Operating Profit

Surplus \$282,006

Revenue 2017/18

\$3,006,680

Expenditure 2017/18

\$2,724,674

Cash on Hand 2017/18

\$1,296,904

2017/18
Unencumbered Real Estate

\$2,104,328

How You Can Help

Make a Financial Donation

Donations can be made via our website indigojunction.org.au; or via our Facebook page, @IndigoJunctionWA. All donations of \$2 or more are tax deductible.

Become a Workplace Regular Giver

Our Workplace Giving program allows employees to make regular donations to Indigo Junction through their payroll system and receive one tax-deductible receipt each year. To learn how you and your organisation can take place in our workplace giving program, email admin@indigojunction.org.au.

Leave a Bequest

Consider Indigo Junction in your Will. Indigo Junction will be able to provide long-lasting support to many because of the generosity of people who remember Indigo Junction in their Will. To learn more about leaving a bequest, email admin@indigojunction.org.au.

Corporate Partnerships

Indigo Junction recognises the importance of developing and nurturing strong links with the corporate and philanthropic sectors to allow us to continue to help make positive changes in the lives of the people we help. Indigo Junction seeks to engage all partners in long-term, strategic and mutually beneficial relationships. To find out more, email admin@indigojunction.org.au.

Volunteer

By volunteering at Indigo Junction you will be making a big difference in the lives of the people we assist and making a valuable contribution as an active member of the community. If you would like to volunteer with us, please email admin@indigojunction.org.au and nominate an area you are interested in. You can choose between office support, event support or fundraising opportunities.

Follow us on Social Media



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Indigo Junction Incorporated
ABN 32 879 844 973

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30 JUNE 2018

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Report of the Board

The Board of Indigo Junction Incorporated (Indigo Junction) presents their Report together with the financial statements of Indigo Junction (the Association) for the year ended 30 June 2018 and the Independent Audit Report thereon.

Board details

The following persons were Board members of Indigo Junction at the date of this report:

Lynne Evans

Board member since 1 July 2012 and appointed chair on 19 October 2016

Lynne Evans is the retired CEO of St Bartholomew’s House and holds a Bachelor of Science (Nursing) and a Post-Graduate Diploma in Management. Lynne has chaired and been involved with many not for profit Boards focusing on services for homelessness or disability. Lynne received the Centenary and John Curtain Medals for her services to the community, and recently became a member of the Finance Committee.

Ron Mell

Appointed 18 July 2017 and appointed Company Secretary 21 November 2017

Ron Mell is a specialist consultant to the not for profit industry and is retired CEO of YMCA Australia and several other YMCA businesses. Ron’s qualifications include Graduate Diploma Social Impact Measurement, GAICD and Associate Diploma in Accounting, and is a member of the Governance & Risk Committee.

Peter Andrew

Appointed 1 August 2012 and appointed deputy Chair on 21 November 2017, and resigned 11 August 2018

Peter Andrew is a Director of ANSON Management Consultancy and has previously held CEO and CIO level positions in banking, finance, advertising and not for profit. Peter has been involved in many community sector Boards including in disability, youth, education and social services, and was a member of the Finance Committee.

Max Cozijn

Appointed 18 July 2017

Max Cozijn is an experienced public company Finance Director and holds qualifications as a Bachelor of Commerce (UWA), CPA and MAICD and has been involved in a number of Boards of ASX listed companies, and Chairs the Finance Committee.

Pippa Marando

Appointed 18 July 2017

Pippa Marando is Deputy Company Secretary for a publicly listed oil & gas company and holds Master of Law, Master of Business Administration and GAICD and is a member of the Governance & Risk Committee.

Paul McMullan

Appointed 27 April 2017

Paul McMullan is Chief Executive Officer of Outcare and a director of WACOSS and a previous Director of Acacia Prison and WANADA. Paul’s qualifications include Master of Arts (Crime, Deviance and Social Policy) and GAICD, and is a member of the Governance & Risk committee.

Karen Roberts

Appointed 18 July 2017

Karen Roberts is Director of Human Resources for a large state government organisation and holds qualifications as a Mater of Human Resources, Master of Public Policy, OHS and GAICD, and is Chair of the Governance & Risk committee.

Bill Thorne
Appointed 15 August 2017

Is General Manager, WA & SA for Commonwealth Bank Private Banking and holds qualifications as a Master of Business Administration, Diploma Financial Planning and GAICD, and is a member of the Finance Committee.

Joanne Watt
Appointed 15 March 2017, Resigned 18 July 2017

Joanne is a member of the Institute of Chartered Accountants and hold qualifications as a Bachelor of Commerce and Bachelor of Science. Joanne was previously the Treasurer.

Nikki Rollaston
Appointed 18 July 2017, Resigned 17 April 2018

Nikki Rollaston is a Practice Manager for a legal firm and holds qualifications as a Bachelor of Laws and Bachelor of Arts (Sociology), and was a member of the Governance & Risk Committee.

Secretary

Ron Mell is the Secretary of the Association.

Chief Executive Officer

David Parkhouse was Chief Executive Officer until 17 August 2018. Adele Stewart was appointed as Interim Chief Executive Officer on 17 August 2018, pending finalisation of the recruitment process for a new CEO. Adele holds a Bachelor of Social Science and has over 20 years' experience in the Health and Community Services Sectors including nine years in Executive roles. Adele has demonstrated accomplishments in the design, implementation and evaluation of services, advocacy, strategic and operational planning and change management, governance and risk. Adele has comprehensive knowledge of current trends and issues in social policy and extensive knowledge in the areas of homelessness and mental health.

Principal activities

During the year, the principal activities of Indigo Junction was the provision of safe and supported accommodation in the region of Midland and its surrounds including the development of a wider choice of accommodation options for low income youth and families coupled with the growing need to provide associated counselling, training and support services.

There have been no significant changes in the nature of these activities during the year.

Operating Results

The net operating profit of Indigo Junction for the financial year ended 30 June 2018 amounted to \$282,006 (2017 \$33,165), After an asset devaluation of \$345,782 (refer note 18.2) the total comprehensive loss for the year was (63,776) (2017 income \$33,165). This result was achieved on total revenues of \$3,006,680 (2017 \$2,771,613) with continuing funding support from a range of grants with a significant contribution from the Department of Communities. Our total operating costs for the year were \$2,724,674 (2017 \$2,738,448).

A review of the operations of the Association during the financial year are contained in the reports of the Chair and the Chief Executive Officer preceding this report.

Board meetings and resignations

The number of meetings of Directors (including meetings of committees of the Board) held during the year, and the number of meetings attended by each Director, are as follows:

| Board Member | Date Appointed | Date Resigned | Board Meeting | | Finance Committee Meeting | | Governance Committee Meeting | |
|-------------------|----------------|---------------|---------------------------|-----------------|---------------------------|-----------------|------------------------------|-----------------|
| | | | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Lynette Evans | 01/07/2012 | | 11 | 10 | 0 | 1 | 0 | 1 |
| Ronald Mell | 18/07/2017 | | 11 | 7 | 1 | 1 | 5 | 4 |
| Max Cozijn | 18/07/2017 | | 11 | 11 | 9 | 9 | 0 | 2 |
| Phillippa Marando | 18/07/2017 | | 11 | 9 | 0 | 0 | 5 | 5 |
| Paul McMullan | 27/04/2017 | | 11 | 10 | 0 | 0 | 5 | 5 |
| Karen Roberts | 18/07/2017 | | 11 | 8 | 0 | 0 | 5 | 3 |
| Bill Thorne | 15/08/2017 | | 10 | 7 | 9 | 8 | 0 | 0 |
| Joanne Watt | 15/03/2017 | 18/07/2017 | 1 | 1 | 0 | 0 | 0 | 0 |
| Nicole Rollason | 18/07/2017 | 17/04/2018 | 9 | 6 | 0 | 0 | 3 | 3 |
| Peter Andrew | 01/08/2012 | 11/08/2018 | 11 | 10 | 9 | 6 | 0 | 0 |
| David Parkhouse | 16/12/2015 | 16/08/2017 | 1 | 1 | 0 | 6 | 0 | 3 |

¹Under clause 37 of the previous Constitution of the Association, each Board member holds office until all board positions are declared vacant at the next Annual General Meeting. A new constitution has been registered, and once adopted will allow for appointment terms of 3 years.

Insurance of Board members and Officers

During the financial year, the Association paid a premium to insure the Board members and officers of Indigo Junction against certain liabilities incurred in that capacity. Disclosure of the nature of the liability covered by and the amounts of the premiums payable for such insurance is subject to confidentiality.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not- for-profits Commission Act 2012 and section 80 of the Associations Incorporation Act 2015 is included in page 36 of this financial report and forms part of the Boards' Report.

Signed in accordance with a resolution of the Board.



Lynne Evans
Chair

Dated the 23rd day of October 2018

AUDITOR'S INDEPENDENCE DECLARATION

TO THE BOARD OF INDIGO JUNCTION INCORPORATED

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 and section 80 of the Associations Incorporation Act 2015, as lead auditor for the audit of Indigo Junction Incorporated for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (a)

No contraventions of the auditor independence requirements of the 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit;
- (b)

No contraventions of the auditor independence requirements of section 80 of the Associations Incorporation Act 2015 (WA) in relation to the audit; and
- (c)

No contraventions of any applicable code of professional conduct in relation to the audit.

AUSTRALIAN AUDIT
Chartered Accountants

Robert Campbell

Robert Campbell CA, CPA, GAICD
Registered Company Auditor
Director
Perth

Dated the 23rd day of October 2018

This statement should be read in conjunction with the notes to the financial.

Statement of Profit or Loss and Other Comprehensive Income

| | Notes | 2018 \$ | 2017 \$ |
|--|-------|-------------|-------------|
| Client income | | 241,286 | 203,866 |
| Grants | | 2,652,737 | 2,489,628 |
| Investment Income | | 14,659 | 6,997 |
| Other | | 97,998 | 71,122 |
| Total revenue from operating activities | | 3,006,680 | 2,771,613 |
| Employment | 11.1 | (2,115,363) | (2,058,803) |
| Administration | | (192,759) | (221,110) |
| Program | | (73,532) | (79,020) |
| Emergency Relief | | (96,832) | (129,172) |
| Property | | (188,840) | (187,460) |
| Transport and travel | | (28,487) | (28,060) |
| Depreciation | | (28,835) | (34,673) |
| Finance costs | | (26) | (149) |
| Total expenses from operating activities | | (2,724,674) | (2,738,448) |
| Profit from operating activities | | 282,006 | 33,165 |
| Other comprehensive income | | - | - |
| Asset revaluation | 18.2 | (345,782) | - |
| Total comprehensive income | | (63,776) | 33,165 |

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

| | Notes | 2018 \$ | 2017 \$ |
|-----------------------------|-------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 1,296,904 | 1,062,219 |
| Trade and other receivables | 5 | 16,733 | 1,534 |
| Other assets | 6 | 20,607 | 48,778 |
| Total current assets | | 1,334,244 | 1,112,531 |

| | | | |
|-------------------------------|---|------------------|------------------|
| Non-current assets | | | |
| Property, plant and equipment | 8 | 2,311,076 | 2,682,108 |
| Intangible assets | 9 | 19,154 | 20,636 |
| Total non-current assets | | 2,330,230 | 2,702,744 |
| Total assets | | 3,664,474 | 3,815,275 |

| | | | |
|----------------------------------|------|----------------|----------------|
| Current liabilities | | | |
| Trade and other payables | 10 | 60,097 | 75,810 |
| Provisions - current | 11.2 | 189,675 | 229,182 |
| Borrowings | 12 | - | 606 |
| Other liabilities | 13 | - | 38,506 |
| Total current liabilities | | 249,772 | 344,104 |

| | | | |
|--------------------------------|------|----------------|----------------|
| Non-current liabilities | | | |
| Provisions - non-current | 11.2 | 33,728 | 26,421 |
| Total non-current liabilities | | 33,728 | 26,421 |
| Total liabilities | | 283,500 | 370,525 |

| | | | |
|-------------------|--|------------------|------------------|
| Net assets | | 3,380,974 | 3,444,750 |
|-------------------|--|------------------|------------------|

| | | | |
|---------------------|----|------------------|------------------|
| Equity | | | |
| Retained earnings | | 2,637,365 | 2,350,600 |
| Reserves | 14 | 743,609 | 1,094,150 |
| Total equity | | 3,380,974 | 3,444,750 |

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

| | Retained earnings \$ | Revaluation reserve \$ | Discretionary reserves \$ | Total \$ |
|--|----------------------------|------------------------------|---------------------------------|------------------|
| Balance at 1 July 2016 | 2,317,435 | 640,391 | 453,759 | 3,411,585 |
| Total comprehensive income for the 2017 year | 33,165 | - | - | 33,165 |
| Balance at 30 June 2017 | 2,350,600 | 640,391 | 453,759 | 3,444,750 |

| | | | | |
|--|------------------|----------------|----------------|------------------|
| Total comprehensive income for the 2018 year | (63,776) | - | - | (63,776) |
| Asset revaluation | 345,782 | (345,782) | - | - |
| Transfer from reserves | 4,759 | - | (4,759) | - |
| Balance at 30 June 2018 | 2,637,365 | 294,609 | 449,000 | 3,380,974 |

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

| | Notes | 2018 \$ | 2017 \$ |
|---|-----------|----------------|---------------|
| Cash flows from operating activities | | | |
| Receipts from operations | | 2,968,554 | 2,771,847 |
| Payments to suppliers and employees | | (2,732,638) | (2,721,623) |
| Net cash generated by operating activities | 20 | 235,916 | 50,224 |

| | | | |
|---|--|--------------|-----------------|
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (139,648) | (156,236) |
| Proceeds from disposal of property, plant and equipment | | 124,364 | 125,092 |
| Interest received | | 14,659 | 6,997 |
| Net cash used in investing activities | | (625) | (24,147) |

| | | | |
|---|--|--------------|------------|
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 150 |
| Repayment of borrowings | | (606) | - |
| Net cash generated by (used in) financing activities | | (606) | 150 |

| | | | |
|--|--|----------------|---------------|
| Net increase in cash and cash equivalents | | 234,685 | 26,227 |
|--|--|----------------|---------------|

| | | | |
|--|--|-----------|-----------|
| Cash and cash equivalents at the beginning of the financial year | | 1,062,219 | 1,035,992 |
| Cash and cash equivalent at the end of the financial year | | 1,296,904 | 1,062,219 |

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1. General information and statement of compliance

The financial report includes the financial statements and notes of Indigo Junction Incorporated, an association incorporated in Western Australia under the Associations Incorporation Act 2015.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for- profits Commission Act 2012. Indigo Junction is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board on 24 October 2018.

2. Changes in accounting policies

2.1 New or amended Accounting Standards and interpretations adopted

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 Revenue

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions. Revenue is measured by reference to the fair value of consideration received or receivable by Indigo Junction for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of Indigo Junction's different activities have been met. Details of the activity-specific recognition criteria are described below.

Government grants

A number of Indigo Junction's programs are supported by grants received from the federal, state and local governments. If conditions are attached to a grant which must be satisfied before Indigo Junction is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered. Revenue from a non-reciprocal grant that is not subject to conditions is recognised when Indigo Junction obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where Indigo Junction receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Client contributions

Fees charged for care or services provided to clients are recognised when the service is provided.

Donations and bequests

Donations collected, including cash and goods for resale, are recognised as revenue when Indigo Junction gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest

Interest income is recognised on an accrual basis using the effective interest method.

3.4 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.5 Intangible assets

Acquired intangible assets

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.8. The following useful lives are applied

- software: 3-5 years

Amortisation has been included within depreciation and amortization. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

3.6 Property, plant and equipment

Land

Land held for use in service delivery or administration is stated at re-valued amounts. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every two (2) years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, plant and other equipment

Buildings, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by Indigo Junction's management.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- buildings: 20 years
- plant and equipment: 5 years
- computer hardware: 5 years
- motor vehicles: 3-4 years
- office equipment: 5 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

3.8 Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within Indigo Junction at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by Indigo Junction's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to Indigo Junction's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

3.9 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when Indigo Junction becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.10 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Indigo Junction of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Indigo Junction's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

Indigo Junction's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.12 Income taxes

No provision for income tax has been raised as Indigo Junction is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.14 Reserves

Other components of equity include the following:

- revaluation reserve – comprises gains and losses from the revaluation of land
- Retained earnings include all current and prior period retained profits.

3.15 Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Indigo Junction's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

Indigo Junction presents employee benefit obligations as current liabilities in the statement of financial position if Indigo Junction does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

3.16 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that Indigo Junction can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.17 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

3.18 Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

3.19 Economic dependence

Indigo Junction is dependent upon the ongoing receipt of Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

3.20 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

| | 2018 \$ | 2017 \$ |
|--------------|------------------|------------------|
| Cash at bank | 1,296,304 | 1,061,619 |
| Cash on hand | 600 | 600 |
| | 1,296,904 | 1,062,219 |

5. Trade and other receivables

| | 2018 \$ | 2017 \$ |
|-------------------|---------------|--------------|
| Trade receivables | 16,591 | 1,534 |
| Other receivables | 142 | - |
| | 16,733 | 1,534 |

All of Indigo Junction's trade and other receivables have been reviewed for indicators of impairment.

6. Other assets

| | 2018 \$ | 2017 \$ |
|----------------|---------------|---------------|
| Accrued income | - | 30,237 |
| Prepayments | 20,607 | 18,541 |
| | 20,607 | 48,778 |

7. Financial assets and liabilities

7.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

| | Notes | 2018 \$ | 2017 \$ |
|---------------------------|-------|------------------|------------------|
| Financial Assets | | | |
| Current | | | |
| Cash and cash equivalents | 4 | 1,296,904 | 1,062,219 |
| Receivables | 5 | 16,733 | 1,534 |
| | | 1,313,637 | 1,063,753 |

| | Notes | 2018 \$ | 2017 \$ |
|------------------------------|-------|---------------|---------------|
| Financial liabilities | | | |
| Current | | | |
| Trade and other payables | 10 | 60,097 | 75,810 |
| Borrowings | 12 | - | 606 |
| | | 60,097 | 76,416 |

See Note 3.9 for a description of the accounting policies for each category of financial instruments. Information relating to fair values is presented in the related notes.

8. Property, plant and equipment

Details of Indigo Junction's property, plant and equipment and their carrying amount are as follows:

| | Land & buildings \$ | Lotterywest funded equipment \$ | Plant & equipment \$ | Motor Vehicles \$ | Total \$ |
|--|------------------------|------------------------------------|-------------------------|----------------------|------------------|
| Gross carrying amount Balance at 1 July 2017 | 2,482,200 | 104,611 | 57,936 | 240,197 | 2,884,944 |
| Additions | - | - | - | 138,845 | 138,845 |
| Disposals | (377,872) | (73,939) | 803 | (137,545) | (588,553) |
| Balance at 30 June 2018 | 2,104,328 | 30,672 | 58,739 | 241,497 | 2,435,236 |

| | | | | | |
|-------------------------------------|------------------|---------------|---------------|----------------|------------------|
| Depreciation & impairment | (21,937) | (66,271) | (33,484) | (81,144) | (202,836) |
| Balance at 1 July 2017 | | | | | |
| Depreciation | (10,153) | (7,688) | (3,080) | (6,452) | (27,373) |
| Revaluation effect | 32,090 | 73,959 | - | - | (106,049) |
| Balance at 30 June 2018 | - | - | (36,564) | (87,596) | (124,160) |
| Carrying amount 30 June 2018 | 2,104,328 | 30,672 | 22,175 | 153,901 | 2,311,076 |

All depreciation and impairment charges (or reversals if any) are included within 'depreciation and amortisation' and 'impairment of non-financial assets'.

Lotterywest holds a caveat over the property at 53 Great Northern Highway Midland WA 6056. Lotterywest holds a 40% beneficial interest in the property for the specific term of 15 years from 22 May 2006 according to the deed of trust between Indigo Junction and Lotterywest. This deed specifies the usage of the property during the specific term. This property is also subject to a mortgage in favour of the Bank of Western Australia Ltd securing the loan referred to in note 12, which was discharged on 7 June 2018.

9. Intangible assets

Details of Indigo Junction's intangible assets and their carrying amounts are as follows:

| | 2018 \$ |
|--------------------------------|----------------|
| Acquired software licences | |
| Gross carrying amount | |
| Balance at 1 July | 22,049 |
| Additions | - |
| Disposals | - |
| Balance at 30 June | 22,049 |
| Amortisation and impairment | |
| Balance at 1 July | (1,413) |
| Amortisation | (1,482) |
| Impairment losses | - |
| Balance at 30 June | (2,895) |
| Carrying amount 30 June | 19,154 |

All amortisation is included within depreciation and amortisation.

10. Trade and other payables

Trade and other payables recognised consist of the following:

| | 2018 \$ | 2017 \$ |
|------------------|---------------|---------------|
| Trade creditors | 36,107 | 45,106 |
| Accrued expenses | 2,750 | 5,000 |
| Other payables | 21,240 | 25,704 |
| | 60,097 | 75,810 |

11. Employee remuneration

11.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

| | 2018 \$ | 2017 \$ |
|--------------------------------|------------------|------------------|
| Wages, salaries | 1,883,366 | 1,830,670 |
| Workers compensation insurance | 63,774 | 57,117 |
| Superannuation | 168,223 | 171,016 |
| | 2,115,363 | 2,058,803 |

11.2 Provisions for employee entitlements

| | 2018 \$ | 2017 \$ |
|--------------------|----------------|----------------|
| Current | | |
| Annual leave | 139,166 | 122,204 |
| Long service leave | 50,509 | 106,978 |
| | 189,675 | 229,182 |
| Non-current | | |
| Long service leave | 33,728 | 26,421 |

12. Borrowings

Borrowings consist of the following:

| | 2018 \$ | 2017 \$ |
|------------------|------------|------------|
| Current | | |
| Interest bearing | - | 606 |

The borrowing in relation to 53 Great Northern Highway Midland has a credit facility of \$75,932. This facility was repaid and discharged on 7 June 2018.

13. Other liabilities

Other liabilities can be summarised as follows:

| | 2018 \$ | 2017 \$ |
|-----------------|------------|------------|
| Deferred Income | | |
| Unspent grants | - | 38,506 |

Deferred income consists of government grants received in advance for services to be rendered by Indigo Junction. Deferred income is amortised over the life of the contract.

14. Reserves

The details of reserves are as follows:

| | Balance at 2016 \$ | Transfers/ Revaluation | Balance at 30 June 2017 \$ | Transfers/ Revaluation | Balance at 30 June 2018 \$ |
|--|--------------------------|---------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Discretionary reserves: | | | | | |
| Redundancy reserve | 46,100 | - | 46,100 | (4,759) | 41,341 |
| Vehicle replacement reserve | 66,000 | - | 66,000 | - | 66,000 |
| Long term building maintenance reserve | 166,659 | - | 166,659 | - | 166,659 |
| Building development reserve | 117,000 | 58,000 | 175,000 | - | 175,000 |
| Total discretionary reserves: | 395,759 | 58,000 | 453,759 | (4,759) | 449,000 |
| Asset revaluation reserve | 755,997 | (115,606) | 640,391 | (345,782) | 294,609 |
| Total reserves | 1,151,756 | (57,606) | 1,094,150 | (350,541) | 743,609 |

15. Related party transactions

Indigo Junction's related parties include its key management personnel and related entities as described below.

| | 2018 \$ | 2017 \$ |
|--------------------------|------------|------------|
| Key management personnel | 128,738 | 149,593 |

Key management personnel remuneration relates to Mr David Parkhouse (resigned 17 August 2018) the former Chief Executive Officer's salary package for 2018, while the comparative figure for 2017 refers to the former CEO, Mr Don Tunnicliffe. A further \$22,496 in accrued annual leave and entitlements was paid to Mr Parkhouse following his resignation.

All members of the Board act in a voluntary capacity and there was no remuneration paid during the year for their duties as Board members.

Indigo Junction used the services of a consulting firm associated with a former Board member (Mr Peter Andrew, resigned 11/08/2018) over which he exercised significant influence. The amounts billed amount to \$9,124.50 (2017: \$3,900). Painting and gardening services were also provided, and paid for by that firm for \$1,020 (2017: \$2,081). The consulting services were provided at a significant discount through a competitive tendering process. Painting and gardening transactions were at normal market rates. There were no outstanding balances at the reporting date.

16. Contingent liabilities

There are no contingent liabilities that have been incurred by Indigo Junction in relation to 2018 or 2017 other than the arrangements with Lotterywest as referred to in Note 8.

17. Capital Commitments

There were no capital commitments by Indigo Junction at 30 June 2018.

18. Fair value measurement

18.1 Fair value measurement of financial instruments

There were no financial instruments requiring fair value measurement at 30 June 2018.

18.2 Fair value measurement of non-financial instruments

The following table shows the non-financial assets measured at fair value on a recurring basis at 30 June 2018:

| | 2018 \$ |
|--------------------|------------|
| Land and buildings | 2,104,328 |

Fair value of the land and buildings is estimated based on appraisals performed by independent, professionally-qualified property valuers. The land and buildings were revalued 6 June 2018. As a consequence there was a devaluation of \$345,782 recorded as at 30 June 2018.

19. Auditors remuneration

In the course of the year ending 30 June 2018, the Auditor received the following remuneration:

| | 2018 \$ | 2017 \$ |
|------------------|---------------|---------------|
| Audit fees | 12,000 | 9,000 |
| Additional scope | - | - |
| Other fees | 1,500 | 1,500 |
| Grant acquittals | 1,500 | 1,500 |
| | 15,000 | 12,000 |

20. Reconciliation of Operating Profit to Cash Flows from Operations

| | 2018 \$ | 2017 \$ |
|---|----------------|---------------|
| Net operating profit for the period | 282,006 | 33,165 |
| Non-operating cash flows in net profit (loss) | | |
| Depreciation and amortisation | 28,835 | 34,673 |
| Interest received | (14,659) | (6,997) |
| Assets written off/loss on sale of assets | 13,179 | 13,181 |
| Change in Assets and Liabilities | | |
| (Increase)/decrease in receivables | 12,974 | (30,705) |
| Increase/(decrease) in payables | (37,257) | 4,501 |
| Increase/(decrease) in provisions | (49,162) | 2,406 |
| | 235,916 | 50,224 |

21. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

22. Indigo Junction Incorporated details

The Principal place of business and registered office of Indigo Junction Incorporated is: 53 Great Northern Highway, MIDLAND WA 6056.

Other details are:

- ABN 32 879 844 973
- Associations Incorporations Act 2015 (WA) Registered No. A0800088G
- Registered with Australian Charities and Not-for-profits Commission (ACNC) on 3 December 2012

Declaration of the Board

In the opinion of the Board of Indigo Junction Incorporated:

(a) The financial statements and notes of Indigo Junction are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(b) There are reasonable grounds to believe that Indigo Junction will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board



Chair
Lynne Evans

Dated the 23rd day of October 2018

DIRECTORS:

ROBERT CAMPBELL CA, CPA, RCA, MSW

VIRAL PATEL CA, CPA, FCCA (UK), RCA

ALASTAIR ABBOTT CA, RCA, M.FORENSIC ACCOUNTING

To the members of Indigo Junction Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Indigo Junction Incorporated (the Association). The financial report comprises the statement of financial position as at 30 June 2018, 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 statements, including a summary of significant accounting policies and the statement by the Board.

In our opinion, the accompanying financial report has been prepared in accordance with requirements of the Associations Incorporation Act 2015 (WA) and 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 2018, and of its financial performance and its cash flows for the year then ended; and
- b) complying with Australian Accounting Standards, and Division 60 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.

Responsibilities of the Board of Members for the Financial Report

The Board of Members (Board) is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act 2015 (WA), the ACNC Act 2012, and the needs of the members. The responsibility of the Board also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board 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 the Board of Directors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 the Board of Directors
- Conclude on the appropriateness of the Boards' 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 the Board 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.

Report on Other Legal and Regulatory Requirements

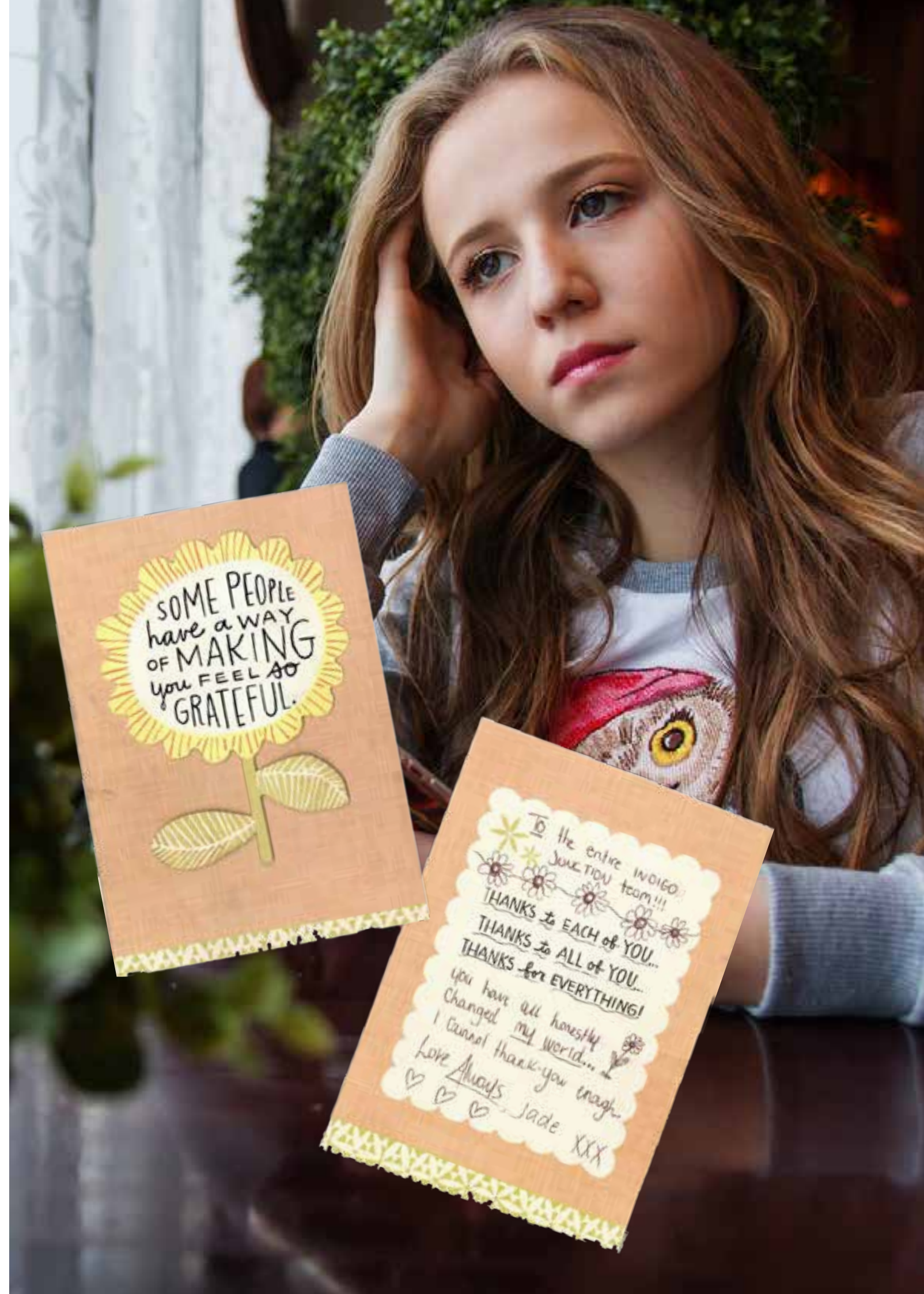
In our opinion, Indigo Junction Incorporated has complied with 60-30(3) (b), (c) and (d) of the ACNC Act and 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA):

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- by keeping financial records sufficient to enable a financial report to be prepared and audited; and
- by keeping other records required by Part 3-2 of the Act, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the Association.
- by keeping other records required by Part 5 of the Associations Incorporation Act 2015 (WA), including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

Australian Audit

Chartered Accountants

R J Campbell, CA, CPA, GAICD
Registered Company Auditor number 334773
Director
Level 8, 251 St Georges Terrace Perth, Western Australia
Dated the 23rd day of October 2018





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