Family Life Limited

ANNUAL AUDITED FINANCIAL REPORT

For The Year Ended 30 June 2023

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FAMILY LIFE LIMITED
DIRECTORS' REPORT

The Directors of Family Life Limited ("Family Life" or the "Company") submit this financial report for the financial year ended 30 June 2023.

Directors

The names and details of Family Life's Directors in office during the year and until the date of the report (unless otherwise noted) are as follows. Directors were in office for the entire period unless stated otherwise.

Name, qualifications, responsibilities and experience

Mr Steve Walsh, Bachelor of Law (LLB) and Bachelor of Economics (B.Ec), Law Institute Victoria (LIV) Accredited Specialist in Personal Injury Law, and Graduate Director from AICD (GAICD). Steve is Board Chair and joint Company Secretary.
Steve was appointed to the Family Life Board in November 2016. Steve is the former Chairman of Maurice Blackburn Lawyers and was a Victorian Personal Injuries Accredited Specialist. Steve was a director with Respect Victoria and Director of Elenium Automation. He has worked in many different areas of law in his career over the past 30+ years. He has a reputation as a distinguished lawyer with an extensive history of helping everyday people. Steve joined Maurice Blackburn in 1981 as an articled clerk and worked his way up through the firm. Steve guided substantial growth at Maurice Blackburn retiring in June 2018. He is passionate about cultural diversity initiatives at Maurice Blackburn, which in recent years have included Iftar and White Ribbon events, and the development of a Religious and Spiritual Diversity guide in conjunction with the Australian Multicultural Foundation.

Mr Jeff Phillips, Bachelor of Economics (Accounting) and a Chartered Accountant.
Jeff is the Board Treasurer.
Jeff was appointed to the Family Life Board in July 2015, when Family Life converted its corporate structure to a company limited by guarantee. Jeff was previously a member of the Board of Southern Family Life Service Association Inc. since 2013. Jeff is the Chief Financial Officer of Bennelong Funds Management and has over 19 years of experience in financial services. He joined Bennelong in June 2012. Jeff is responsible for the finance, operations, company secretarial and IT functions. Jeff previously spent eight years with Aviva Investors/Portfolio Partners in senior finance and operational roles. Other previous employers include Brand Finance, Morgan Stanley (London office) and PricewaterhouseCoopers.

Ms Judy Pridmore, Bachelor of Education, Victoria University (B.Ed), Australian Institute of Company Directors (GAICD).
Judy is joint Vice Chair.
Judy was appointed to the Family Life Board in February 2019. Judy is a business consultant and government advisor, who specialises in digital and technology innovation and business transformation. She has held senior executive positions in startups through to ASX-listed companies, including News Limited, Westpac, Southcorp and Winepros.
Judy is an Ambassador for the Women's Resilience Centre, supporting women who have experienced domestic abuse and also sits on the Advisory Board of C31 (Melbourne Community TV Consortium Ltd).

Mr David Stewart, Bachelor of Education (B.Ed), Graduate Diploma Sports Science (Grad Dip Sp Science), Masters Business Leadership (MBL).
David is joint Vice Chair.
David was appointed to the Family Life Board in 2016 and is the Founder & Principal of RYP International, which was established in 1981. Since then David and his team have been developing teams, communities and leaders in a wide cross section of industries, organisations and communities on a global basis addressing organisational dynamics, team cultures and social issues. His approach is to build the capability, confidence and team chemistry of an organisation to drive an observable point of difference by linking Culture – Brand and Strategy. He has designed and facilitated "FROM and TO" major change processes with Major Corporates, Family Owned Organisations, Professional Sports Teams, NGO's, Industry Associations and Government Agencies

Ms. Georgina Cohen, Bachelor of Arts in Psychology & Classical Studies (Melbourne University), a Post Graduate Diploma in Digital Communications (Monash University) and a Masters of Management (Technology) (Melbourne Business School). Georgina is joint Company Secretary. (retired Nov 2022).
Georgina was appointed to the Family Life Board in July 2015, when Family Life converted its corporate structure to a company limited by guarantee. Georgina was previously a member of the Board of Southern Family Life Service Association Inc. since 2014. Georgina has over 25 years of senior management and consulting experience, specialising in leading organisational change, technology transformation and project management. She has worked across a broad range of sectors including Retail, Operations, Defence and Technology.

Dr Aneesha Varghese Cowan, CA, Fellow of CPA Australia, Masters in Taxation Studies (University of Auckland), Doctor of Business Administration (University of Otago).
Aneesha was appointed to the Family Life Board in November 2020. Aneesha is a Chartered Accountant and CFO advisory specialist with over two decades of accounting and finance experience, both in Australia and New Zealand in industries such as property, agribusiness, FMCG and professional services.

Aneesha is passionate about giving back to the community and is proud to be associated with an organisation such as Family Life. She is also on the Board of Aviation Aerospace Australia and Enprise Group Limited (NZX: ENS).

Ms. Carmel O'Brien, Bachelor of Arts, Graduate Diploma in Applied Psychology, Bachelor's Degree Psychology and Politics, Master's Degree Counselling and Human Services. (Company Secretary from Nov 2022).
Carmel was appointed to the Family Life Board in November 2020. Carmel is a counselling psychologist whose special interest is the recovery of women and children from family violence. She has worked in child protection and women's correctional services, in relationship and general counselling services, in the community sector and in private practice. Carmel was Director of Clinical Services for a large community agency for fourteen years, managing counselling and recovery programs, and developing a suite of services for women and children who have experienced abuse. Her first book "Blame Changer: Understanding Domestic Violence" was released in October 2016. Her second book, which looks at survivors' experiences in the justice system, is awaiting publication.

Carmel is the recipient of a Menzies Award and the Australian Psychological Society (APS) Elaine Dignan Award for her contribution to women through her profession and is also a Fellow of both the Australian Psychological Society and the Cairnmillar Institute. In January 2017, Carmel was awarded a Medal of the Order of Australia (OAM) for her contribution to mental health and social welfare organisations.

Ms. Emily Darnett, Bachelor of Psychological Science, Graduate Diploma Psychology.
Emily Darnett is a Palawa descendant, a provisionally registered psychologist and a PhD candidate. Emily's practice and research aim to decolonise psychology through the promotion of social and emotional wellbeing within the Aboriginal and Torres Strait Islander population. Emily has experience working with Aboriginal and Torres Strait Islander peoples as well as non-Indigenous people across several contexts and within several systems. Emily is due to complete her Masters and PhD early next year in which she plans to continue to build upon her research area in a post doctorate position as well as complete her clinic registrar program through an Aboriginal Community Controlled Health Organisation.

Dr Claire Harris, Bachelor of Medicine, Bachelor of Surgery (MBBS), Graduate Diploma in Child Development, Master of Science in Public Health (MScPH), Doctor of Philosophy (PhD), Fellow of the Australasian Faculty of Public Health Medicine (FAFPHM), Member of the Australian Institute of Company Directors (MAICD).

Claire was appointed to the Board in November 2022. Claire is a public health physician with 20 years' experience in senior leadership roles in the health, government and disability sectors. Prior to that she worked in clinical practice in community child health and as a GP. She holds an adjunct position as Associate Professor at Monash University.

Most of her public health practice has been assisting decision-makers in evidence-based practice. She has been an expert adviser to government agencies and national programs in Australia, Canada and the United Kingdom. Claire is passionate about using evidence to enable innovation and has initiated, designed and delivered award-winning projects in a range of settings including general practice, hospitals, community health and the NDIS.

Mr. Michael Laps, Bachelor of Business, with a double-major in Marketing and Management (Monash University) AMAMI CPM (Certified Practicing Marketer).
Michael joined the Board in November 2022. Michael has been building digital strategies for over 12 years. In that time he's worked with household names like ANZ Bank, H&R Block, P&O Cruises, Converse, the NRL and many more.

In 2014 he founded what has become one of Australia's premier digital agencies, Yoghurt Digital, with a team of 35 across three countries. Since exiting Yoghurt in mid-2022, Michael has been helping companies by consulting on their broader business strategy, operational structure and capabilities and, of course, their marketing strategy.

In his spare time, Michael is a guest speaker and trainer at Australia's peak marketing body, the Australian Marketing Institute (AMI), is a guest lecturer at Macquarie University and UNSW, and mentors young professionals through both the AMI and Pillar Initiative.

Ms. Catherine Parisi, Program for Leadership Development, Executive MBA equivalent program Certificate of Financial Psychology and Behavioural Finance, Masters of Innovation and Entrepreneurship, Masters of Finance.
Catherine joined the Board in November 2022. Catherine has over 15 years of diverse experience in the Wealth Management industry, specialising in investment management, behavioural finance, and multi-generational wealth transition. With a background in innovation, she has held strategic roles in global banks leading large, multi-disciplined teams and change projects. She has worked in Melbourne, New York, London, and Singapore. Catherine is passionate about financial literacy and empowering women to achieve financial security, because she believes financially capable women positively impact family and community outcomes.

Significant Changes

No significant changes in the Company's objectives and the nature of the principal activities occurred during the year.

Results

The surplus from normal operating activities amounted to $495,463 (2022: surplus of $621,960).

Dividends

As a not-for-profit charitable company, the constitution of Family Life prohibits the payment of dividends or distribution of profits.

Review of Financial Condition

Capital structure:	The total equity of the Company was $5,928,765 (2022: $5,433,302), an increase of $495,463 compared to the prior year.
Cash from operations:	The Company's net cash inflow from operating activities during the financial year was $335,140 (2022: inflow of $610,687).
Liquidity:	The Company has sufficient liquid resources to fund its operating activities at the date of this report.

Review of Operations

In the past 12 months, Family Life continued to provide integrated family services and relationship support services in Victoria. These services were mainly supported by Federal funding from the Attorney General's Department and the Department of Social Services (DSS), and State funding from the Department of Families, Fairness and Housing (DFFH) and the Department of Education and Training (DET).

There is no indication that these major funding agreements will have significant changes in the next 12 months at the date of this report.

Future Developments

The Company expects to maintain the present status and level of operations and hence there are no likely significant developments in the operations in future financial years.

Details of Directors Meetings

Meetings	Board Meetings Eligible to attend	Meetings attended	Finance, Risk & Audit Sub Board Meetings Eligible to attend	Meetings attended
Steve Walsh (Chair)	8	7	3	3
Jeff Phillips (Treasurer)	8	6	3	3
Georgina Cohen	4	3	-	-
Judy Pridmore	8	8	-	-
Aneesha Varghese	8	7	3	2
Carmel O'Brien	8	8	-	-
Emily Darnett	8	7	-	-
David Stewart	8	6	-	-
Claire Harris	4	4	-	-
Michael Laps	4	4	-	-
Catherine Parisi	4	3	-	-

Indemnification

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify, an officer or an auditor of the Company against a liability incurred as an officer or auditor.

The Company has agreed to indemnify the current Directors for all liabilities to another person that may arise from their position, except where the liability arises out of conduct involving a lack of good faith as Directors of the Company.

Insurance Premiums

The Company has insurance cover as part of the contract agreement with DHHS in respect of Directors' and Officers' liability insurance.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all of those proceedings. The Company was not a party to any proceedings during the year.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration forms part of the Directors' Report for the financial year ended 30 June 2023 and is included on page 24 of the Annual Report.

Signed in accordance with a resolution of the Directors.

Chairperson: ______________________________
Steve Walsh

Treasurer: ______________________________
Jeff Phillips

Dated this 13th day of October 2023.

FAMILY LIFE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Income from Operating Activities			
Federal Government funding		5,945,223	5,826,227
State Government funding		13,879,914	11,972,812
Local Government funding		132,658	106,406
Non-Government grants		215,000	368,965
Donations		212,209	104,811
Social enterprises		2,289,442	1,097,963
Service income		71,545	64,253
Interest		70,000	20,156
Other income		17,825	29,899
Gain/(loss) on investment at fair value through profit or loss		36,796	(37,209)
		22,870,612	19,554,283
Expenditure from Operating Activities			
Depreciation and amortisation expense	3	697,263	492,723
Audit and accounting fees		24,781	22,811
Bank charges		32,041	18,658
Finance costs	3	90,572	14,144
Staffing expenses	3	16,931,868	14,002,245
Program expenses		2,861,475	2,966,445
Operating expenses		665,847	551,709
Property expenses		1,071,302	863,588
		22,375,149	18,932,323
Net Surplus for the Year		**495,463**	**621,960**
Other Comprehensive Income			
Other comprehensive income		-	-
		-	**-**
Total Comprehensive income for the Year		**495,463**	**621,960**

The accompanying notes form part of this financial report

FAMILY LIFE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash & cash equivalents	12a	5,181,879	5,468,469
Investments at fair value	5	389,161	357,342
Receivables - trade & other	4	1,125,252	691,646
Other current assets		416,398	302,690
TOTAL CURRENT ASSETS		7,112,690	6,820,147
NON-CURRENT ASSETS			
Receivable – trade & other	4	175,749	40,033
Property, plant and equipment	6	2,001,593	1,996,282
Right of use assets	7	1,545,392	373,483
TOTAL NON-CURRENT ASSETS		3,722,734	2,409,798
TOTAL ASSETS		10,835,424	9,229,945
CURRENT LIABILITIES			
Trade & other payables		585,481	566,076
Accrued expenses		684,510	706,578
Unearned income		392,622	894,711
Interest bearing loan	13	5,333	4,582
Provision for employee entitlements		1,061,199	864,394
Provision for employee entitlements - LSL	8	319,689	306,330
Lease liability	9	584,247	231,524
TOTAL CURRENT LIABILITIES		3,633,081	3,574,195
NON-CURRENT LIABILITIES			
Provision for employee entitlements - LSL	8	226,991	70,163
Lease liability	9	1,046,587	152,285
TOTAL NON-CURRENT LIABILITIES		1,273,578	222,448
TOTAL LIABILITIES		4,906,659	3,796,643
NET ASSETS		**5,928,765**	**5,433,302**
MEMBERS' FUNDS			
Accumulated funds	10	5,713,643	5,218,180
Reserves	11	215,122	215,122
TOTAL MEMBERS' FUNDS		**5,928,765**	**5,433,302**

The accompanying notes form part of this financial report

FAMILY LIFE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Accumulated Funds $	Reserves $	Total $
Balance at 1 July 2021		**4,596,220**	**215,122**	**4,811,342**
Surplus for the year		621,960	-	621,960
Other comprehensive income		-	-	-
Total comprehensive income		621,960	-	621,960
Balance at 30 June 2022	10	**5,218,180**	**215,122**	**5,433,302**
Balance at 1 July 2022		**5,218,180**	**215,122**	**5,433,302**
Surplus for the year		495,463	-	495,463
Other comprehensive income		-	-	-
Total comprehensive income		495,463	-	495,463
Balance at 30 June 2023	10	**5,713,643**	**215,122**	**5,928,765**

The accompanying notes form part of this financial report

FAMILY LIFE LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government funding		20,882,162	19,249,085
Non-Government grants		315,200	476,550
Fundraising and donations		212,209	104,811
Social enterprises		2,289,442	1,097,963
Interest received		70,000	20,156
Other income		17,825	29,710
Payments			
Payments to employees and suppliers		(23,361,126)	(20,353,444)
Interest expense - leases		(90,572)	(14,144)
Net cash provided by operating activities	**12b**	**335,140**	**610,687**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from investments		4,977	3,066
Net payments for property, plant & equipment		(146,068)	(147,551)
Net cash used in investing activities		**(141,091)**	**(144,485)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of leases		(480,639)	(394,203)
Net cash used in financing activities		**(480,639)**	**(394,203)**
Net (decrease)/increase in cash & cash equivalents held		(286,590)	71,999
Cash & cash equivalents at the beginning of the financial year		5,468,469	5,396,470
Cash & cash equivalents at the end of the financial year	**12a**	**5,181,879**	**5,468,469**

The accompanying notes form part of this financial report

Note 1. Reporting Entity

Family Life Limited ("Family Life" or the "Company") is a company limited by guarantee and domiciled in Australia. The address of the Company's registered office and principal place of business is 197 Bluff Road, Sandringham, Victoria 3191. The Company is a not-for-profit entity and is primarily involved in providing services toward the direct relief of poverty, sickness, suffering, misfortune, destitution, helplessness, distress or disability in Victoria.

In the opinion of the Directors, the Company is not a reporting entity. This financial report of the Company has been drawn up as special purpose financial report for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

For the purpose of this report the entity is a not-for-profit entity.

Note 2. Statement of Significant Accounting Policies

Basis of preparation

<u>Statement of compliance</u>
This special purpose financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the recognition and measurement requirements of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

This financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101 *Presentation of Financial Statements*
AASB 107 *Statement of Cash Flows*
AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
AASB 1054 *Australian Additional Disclosures*

This financial report was approved by the Board of Directors on the same date as the signing of the Directors' Declaration.

<u>Application of the consolidation and equity accounting requirements</u>
The Company has no investments in subsidiaries or investments in associates and joint ventures.

<u>Basis of preparation</u>
This financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Income Tax

The Company is exempt from income tax.

(b) Fixed Assets

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

The depreciable amount of all fixed assets is depreciated over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

The carrying amount of fixed assets is reviewed annually by the Company's Management to ensure it is not in excess of the recoverable amount of these assets.

Note 2. Statement of Significant Accounting Policies *(continued)*

(b) Fixed Assets (cont'd)

As the future economic benefits of the Company's assets are not primarily dependent on their ability to generate net cash inflows and, if deprived of the asset, the Company would replace the asset's remaining future economic benefits, 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

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

Class of Depreciable Asset	Depreciation Method	Depreciation Rate
Buildings	Straight line	3.5%
Leasehold improvement	Straight line	Term of lease
Furniture, fittings & equipment	Straight line	10% to 33%
Computer & electronics	Straight line	15% to 33%
Motor Vehicles	Straight line	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(c) Impairment of assets

At each reporting date, the Company, a not-for-profit entity, reviews the carrying values of all assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over the recoverable amount is expensed. As the future economic benefits of the Company's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the Company would replace the asset's remaining future economic benefits, 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

(d) Financial assets

Recognition and Derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

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

Classification of Financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

***Note 2. Statement of Significant Accounting Policies** (continued)*

(d) Financial assets (continued)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the entity may make the following irrevocable election/designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. All financial assets are initially measured at fair value adjusted for transaction costs.

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:

- Financial assets at amortised cost
- Financial assets at FVTPL

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

(ii) Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

(e) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

***Note 2. Statement of Significant Accounting Policies** (continued)*

(f) Employee Entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred. The Company has no legal obligation to provide benefits to employees on retirement.

(g) Revenue

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

Revenue from the sale of goods and delivery of services is recognised upon the delivery of the goods and services when specific performance obligations are satisfied.

Marketing and fundraising revenue is recognised upon delivery of the service or goods to which it relates.

Revenue from membership is recognised over time as the performance obligation is fulfilled throughout the financial year and deferred accordingly for future financial period based on the timing of payment/renewal of membership by customers.

When the Company receives government/non-government grants or donations (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. In all other cases the transaction is accounted for under AASB 1058 where the income is recognised upon receipt.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

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

(h) Contract Liabilities

A contract liability is an entity's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

The transaction price allocated from revenue and recognised as a contract liability at the time of the initial sales transaction and is released based on the management set percentage over time as the performance obligation with the customers are satisfied.

Management exercise accounting judgments in determining the amount of work completed as of balance date.

Note 2. Statement of Significant Accounting Policies (continued)

(i) Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

(j) Goods and Services 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 cash flow statement on a net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Leases

Company as lessee
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less, such as property) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate determined for the Company was 3% depending on the lease and specific risk premium.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Statement of Financial Position. The lease liability is subsequently 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.

***Note 2. Statement of Significant Accounting Policies** (continued)*

(l) Leases (cont)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate or the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

Where a lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Company did not make any such adjustments during the periods presented.

Right-of-use assets
The Company leases property, vehicles and printers. The average lease term is 3 years for property and 5 years for vehicles. The Company's obligations are secured by the lessors' title to the leased assets for such leases.

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

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 37 Provisions. 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 over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

(m) Significant estimates and judgements

The Board evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assure a reasonable expectation of future events and are based on current trends and economic data.

Allowance for expected credit losses
Management's judgement is applied in determining the allowance for expected credit losses. The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Long service leave

Management's judgement is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

***Note 2. Statement of Significant Accounting Policies** (continued)*

(m) Significant estimates and judgements (cont)

Contract assets and liabilities
On the adoption of AASB 15 Revenue from Contracts with Customers, the Company has assessed all of its arrangements with customers to determine revenue recognition. Where contacts are held with customers, the Company has identified its performance obligations and used judgements and estimates to determine how revenue is recognised over time and what performance obligations remain unfulfilled. These unfulfilled obligations represent contract liabilities at reporting date.

(n) Adoption of new and revised accounting standards

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

The application of the annual improvements and amendments did not have a material impact on the Company's financial statements, as the annual improvements and amendments either do not affect the Company's existing accounting policies, or apply to situations, transactions and events that the Company does not undertake.

***Note 2. Statement of Significant Accounting Policies** (continued)*

(n) Adoption of new and revised accounting standards *(continued)*

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2023
AASB 2022-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023

The Directors of the Company have not fully assessed the impact of the above standards that are not effective that apply in respect of financial year ending 30 June 2023 and after this date, but do not anticipate that the impact will be material to the financial statements.

	2023 $	2022 $
Note 3: Surplus from Operations Includes the Following Items of Expense		
Staffing expenses	16,931,868	14,002,245
Short term and low value lease expenses	121,150	171,275
Depreciation and amortisation expenses	697,263	492,723
Finance costs	90,572	14,144
	17,840,853	14,680,387

	2023 $	2022 $
Note 4: Receivables - Trade & Other		
Current		
Trade debtors	257,717	216,454
Sundry debtors	867,535	475,192
	1,125,252	691,646
Non-Current		
Sundry debtors	175,749	40,033

		2023	2022
		$	$
Note 5:	**Financial Assets**		
	Investment, at fair value		
	Australian Communities Foundation Main Fund	389,161	357,342

		2023	2022
Note 6:	**Property, Plant & Equipment**		
	Land & Buildings	2,719,167	2,719,167
	Less accumulated depreciation	(958,843)	(908,632)
		1,760,324	1,810,535
	Leasehold Improvements	472,576	410,429
	Less accumulated depreciation	(391,404)	(407,397)
		81,172	3,032
	Furniture, Fittings & Equipment	583,848	557,971
	Less accumulated depreciation	(496,738)	(469,592)
		87,110	88,379
	Motor Vehicles	447,232	447,232
	Less accumulated depreciation	(447,232)	(447,232)
		-	-
	Computer & Electronics	469,131	460,167
	Less accumulated depreciation	(406,530)	(365,831)
		62,601	94,336
	Work in Progress	10,386	-
	Total Written Down Value	2,001,593	1,996,282

		2023	2022
Note 7:	**Right to Use Asset**		
	Right to use assets at cost	2,195,312	1,143,815
	Less accumulated amortisation	(649,920)	(770,332)
		1,545,392	373,483

Note 7: Right to Use Asset (continued)

	Motor Vehicles $	Premises $	Total $
Cost 1 July 2021	247,492	907,418	1,154,910
Additions	-	278,590	278,590
Disposals	-	(289,685)	(289,685)
Balance at 30 June 2022	247,492	896,323	1,143,815
Additions	-	1,728,414	1,728,414
Disposals	-	(676,917)	(676,917)
Balance at 30 June 2023	247,492	1,947,820	2,195,312
Accumulated amortisation at 1 July 2021	100,746	574,771	675,517
Disposals	-	(289,685)	(289,685)
Amortisation expense	50,373	334,127	384,500
Balance at 30 June 2022	151,119	619,213	770,332
Disposals	-	(676,917)	(676,917)
Amortisation expense	50,354	506,151	556,505
Accumulated amortisation at 30 June 2023	201,473	448,447	649,920
Written down value	46,019	1,499,373	1,545,392

	2023 $	2022 $
Amounts recognised in profit or loss		
Depreciation on right-of-use assets	556,505	384,500
Interest expense on lease liabilities	90,572	14,144
Expense relating to short term or low value leases	184,496	171,275

Note 8: Provision for Employee Entitlements - LSL

	2023	2022
Current provision for long service leave	319,689	306,330
Non-current provision for long service leave	226,991	70,163

		2023	2022
		$	$
Note 9	**Lease Liability**		
	Lease liability – current	584,247	231,524
	Lease liability – non-current	1,046,587	152,285

		2023	2022
Note 10:	**Accumulated Funds**		
	Balance at beginning of the financial year	5,218,180	4,596,220
	Surplus for the year	495,463	621,960
	Transfers from/(to) Reserves:		
	Sustainability Reserve	-	-
	Balance at end of the financial year	5,713,643	5,218,180

		2023	2022
Note 11:	**Reserves**		
	Sustainability Reserve		
	Balance at beginning of the financial year	71,734	71,734
	Transfer from Accumulated Funds	-	-
		71,734	71,734

The purpose of the Sustainability Reserve is to support Family Life into the future and to ensure the agency to be able to discharge its liabilities in the event of a contingency. The Board will review this reserve in 23/24 to take into account the balance of the Accumulated Funds.

	2023	2022
Specified Program Reserve		
Balance at beginning of the financial year	143,388	143,388
Transfer from Accumulated Funds	-	-
	143,388	143,388

This represents funds set aside for specified service programs as required by the funding or project agreement.

	2023	2022
Total Reserves	215,122	215,122

Note 12: Reconciliation of Cash and Net Cash Flows from Operating Activities

(a) *Reconciliation of Cash*

Cash at the end of the financial year as shown in the Statement of Cashflows is reconciled to the related items in the Statement of Financial Position as follows:

	2023	2022
Cash on Hand	2,802	2,000
Cash at Bank	5,179,077	5,466,469
	5,181,879	5,468,469

Note 12: Reconciliation of Cash and Net Cash Flows from Operating Activities (cont)

(b) *Reconciliation of surplus to net cash flows from operating activities*

	2023 $	2022 $
Surplus for the year	495,463	621,960
Depreciation and amortisation	697,263	492,723
Unrealised (gain)/loss investment	(36,796)	37,209
(Increase)/decrease in trade & other receivables	(569,323)	(207,675)
(Increase)/decrease in other assets	(113,707)	(47,032)
Increase/(decrease) in trade & other payables	19,404	(50,506)
Increase/(decrease) in accrued expenses	(22,068)	101,438
(Decrease)/increase in unearned income	(502,090)	(369,814)
Increase/(decrease) in provision for employee entitlements	366,994	32,384
Net cash provided by operating activities	335,140	610,687

Note 13: Interest Bearing Loan

	2023	2022
Current	5,333	4,582
Non-Current	-	-
	5,333	4,582

The original amount of the Bendigo Bank Business Flexi Loan was $500,000. It commenced on 27 May 2014 with a term of 20 years repayable by 2034. The interest rate at reporting date was 3.8% p.a. (2022: 2.71% p.a.). The security for the loan is the property at Highett.

The purpose of these loans is to provide financial flexibility to Family Life to continue to expand services while accommodating timing variations in securing funding for our services, including, in particular, capital expenditure.

	2023 $	2022 $
Note 14: Lease Commitments		
Short term and low value leases		
Within twelve months	3,330	37,763
Twelve months or later and no longer than five years	1,941	2,162
Longer than five years	58,950	59,471
	64,221	99,396

The Company leases one of its buildings at significantly below-market terms and conditions principally to enable it to further its objectives. The Company is dependent on these leases to further its objectives as it utilises the buildings to run its operations and deliver its services. This lease is provided to the Company for $320 per annum.

The Company has elected to measure these leases at cost.

Note 15: Related Parties

All Directors of the Board acted in an honorary capacity.

There were no other contracts entered into with related parties during the year ended 30 June 2023.

Note 16: Subsequent Events

There have been no material events subsequent to balance date.

Note 17: Members' Guarantee

Family Life Limited is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $100 towards meeting any outstanding obligations of the Company. The number of members at reporting date is 36.

Note 18: Economic Dependency

A significant portion of Family Life's revenue is arranged through Government grants in accordance with various funding agreements. The Company is dependent on the continuing financial support of the Federal and State Governments.

FAMILY LIFE LIMITED

DIRECTORS' DECLARATION

As detailed in Note 2 to the financial report, the Company is not a reporting entity because in the opinion of the Directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Directors' reporting requirements under the *Australian Charities and Not-for-profits Commission Act 2012*.

In the opinion of the Directors:

1. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

2. The attached financial report and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

This statement is made in accordance with a resolution of the Directors of Family Life Limited pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Act 2012* and is signed for and on behalf of the Directors by:

Chairperson ______________________________

Steve Walsh

Treasurer ______________________________

Jeff Phillips

Dated: 13 October, 2023

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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October 2023

The Board of Directors
Family Life Limited
197 Bluff Road
Sandringham VIC 3191

Dear Board Members

Auditor's Independence Declaration to Family Life Limited

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Family Life Limited.

As lead audit partner for the audit of the financial statements of Family Life Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU

Jane Fisher
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the Members of Family Life Limited

Opinion

We have audited the financial report, being a special purpose financial report, of Family Life Limited (the "Entity"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration as set out on pages 6 to 22.

In our opinion the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Director's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors' Report contained in the annual financial report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Directors' Responsibilities for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the Members. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

DELOITTE TOUCHE TOHMATSU

Jane Fisher
Partner
Chartered Accountants
Melbourne,   October 2023