



Family Life Limited

ANNUAL AUDITED FINANCIAL REPORT

For The Year Ended
30 June 2021

197 Bluff Road, Sandringham Vic 3191
Tel: 03 8599 5433 Fax: 03 9598 8820
info@familylife.com.au
www.familylife.com.au
ABN: 37 712 782 209
ACN: 606 542 590

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 2021.

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 Grant Douglas, Master of Business Administration and Bachelor of Engineering.

Grant was the Board Chair and joint Company Secretary until he retired on 11 November 2020.

Grant was appointed to the Family Life Board in July 2015, when Family Life converted its corporate structure to a company limited by guarantee. Grant was previously a member of the Board of Southern Family Life Service Association Inc. since 2008. He has 30 years management experience in a variety of industries including Management Consulting, Mining, Quarrying, Mines Rescue, Banking and Transport. Grant is the General Manager at Krueger Transport Equipment Pty Ltd. His previous roles include General Manager of Cope Sensitive Freight, Director Vic/Tas for Star Track Express, Acting Managing Director of Regional & Rural Banking for ANZ Banking Group and Head of Agribusiness for ANZ Banking Group.

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 was elected Board Chair and joint Company Secretary on 11 November 2020.

Steve was appointed to the Family Life Board in November 2016. Steve is the former Chairman of Maurice Blackburn Lawyers and a Victorian Personal Injuries Accredited Specialist. Recently Steve has been appointed as a director with Respect Victoria and also appointed as chairman 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.

Ms Lesley Coleman, Bachelor of Arts and Master of Administration Degrees, Accredited mediator. Professional memberships - Australian Institute of Company Directors and LEADR (Association of Dispute Resolvers).

Lesley retired on 11 November 2020.

Lesley was appointed to the Family Life Board in July 2015, when Family Life converted its corporate structure to a company limited by guarantee. Lesley was previously a member of the Board of Southern Family Life Service Association Inc. since 2010. Lesley is a highly experienced management consultant, specialising in organisation and management review, program evaluation, strategic and business planning and mergers/amalgamations. She returned to her own consulting firm, Lewis & Coleman, in 2011 after holding the position of Director of the Public Sector Management Consulting Practice for four years at HLB Mann Judd Consulting. Lesley has consulted for over 30 years to all tiers of government and the community sector on education, justice, women's issues, Indigenous issues, public housing, transport, disability services, health, and community services. Her current focus is creating and delivering online training programs on a range of business and management topics.

Directors' Report (continued)

Mr Len Gill, Bachelor of Engineering (Civil) and a Member of the Australian Institute of Company Directors.

Len retired on 11 November 2020.

Len was appointed to the Family Life Board in July 2015, when Family Life converted its corporate structure to a company limited by guarantee. Len was previously a member of the Board of Southern Family Life Service Association Inc. since 2008. Len is a professional non-executive director with a 35 plus year career in the electricity, gas and infrastructure industries. He also provides energy and management consultancy services. He is currently Chairman of Infigen Energy. His previous roles include Chairman of Alinta Energy, Chairman of Metgasco, Non-Executive Director of WDS Limited, Ecogen Energy, Ampetus Energy, and Verve Energy, Managing Director and CEO of TXU Australia and Chairman of South East Australian Gas Pty Ltd.

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, IT and product management 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 also works as a sessional academic and industry supervisor at Swinburne and Federation University. She sits on the Advisory Board of C31 (Melbourne Community TV Consortium Ltd) and the Board Guild of AusTTA (Australian Transformation and Turnaround Association).

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 was elected as Company Secretary in November 2020.

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.

Directors' Report (continued)

Ms. Aneesha Varghese, CA, Fellow of CPA Australia, Masters in Taxation Studies (Auckland University)

Aneesha was appointed to the Family Life Board in November 2020. Aneesha is a Chartered Accountant with nearly two decades of accounting and finance experience, both in Australia and New Zealand in industries such as property, agribusiness, FMCG and business consulting. 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 Property Initiatives Real Estate, an organisation whose entire profits go towards securing permanent homes for women and children facing homelessness.

Ms. Carmel O'Brien, Graduate Diploma in Applied Psychology Psychology, Bachelor's Degree Psychology and Politics, Master's Degree Counselling and Human Services.

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.

Members' Guarantee

Family Life 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 the reporting date is 37.

Objectives and Principal Activities

The objectives of the Company during the financial year were to provide services toward the direct relief of poverty, sickness, suffering, misfortune, destitution, helplessness, distress or disability in Victoria.

The Company's principal activities were to provide a range of support services to disadvantaged families; employment training and support programs for marginalised youth and collaborative community support initiatives to support communities that are facing hardship and difficulties.

The Company's strategies are, in response to community needs, to employ evidence-based practices to innovate for social change to reduce and prevent social problems that may affect children, young people, individual persons and families.

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 \$1,407,219 (2020: deficit of \$417,828).

The surplus position of \$1,407,219 is a result of COVID related delays in service delivery resulting in the deferral of expenditure to 21/22, in addition to cost savings, particularly related to office administration and properties as a result of a changed business model during COVID.

Dividends

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

Directors' Report (continued)

Review of Financial Condition

Capital structure:	The total equity of the Company was \$4,811,342 (2020: \$3,404,123), an increase of \$1,407,219 compared to the prior year.
Cash from operations:	The Company's net cash inflow from operating activities during the financial year was \$1,070,172 (2020: inflow of \$1,332,867).
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 Health and Human Services (DHHS) 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 COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of the business. Following the COVID-19 outbreak, the company has continued its principal activity and as a result, there has not been a significant impact on the company for the year ended 30 June 2021. However, the situation is unprecedented and we will continue to pay close attention to the potential implications of the pandemic and the impact on the company. The Company was eligible, has applied for and received payment for the JobKeeper subsidy.

Details of Directors Meetings

Meetings	Board Meetings Eligible to attend	Meetings Attended	Finance Risk & Audit Sub Board Meetings Eligible to attend	Meetings attended
Grant Douglas	4	4	1	-
Lesley Coleman	4	3	-	-
Jeff Phillips (Treasurer)	8	8	7	6
Len Gill	4	4	7	6
Georgina Cohen	8	8	7	6
Judy Pridmore	8	6	-	-
Steve Walsh	8	8	2	1
David Stewart	8	8	-	-
Aneesha Varghese	5	5	4	3
Carmel O'Brien	5	4	-	-

Directors' Report (continued)

Indemnification and Insurance of Officers and Auditors

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

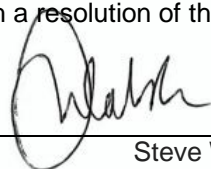
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all of those proceedings. The Company was not a party to any proceedings during 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 2021 and is included on page 24 of the Annual Report.

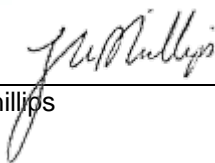
Signed in accordance with a resolution of the Directors.

Chairperson:



Steve Walsh

Treasurer:



Jeff Phillips

Dated this 27th day of October 2021.

FAMILY LIFE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<i>Income from Operating Activities</i>			
Federal Government funding		5,634,928	4,680,144
State Government funding		10,463,545	9,123,555
Local Government funding		124,623	54,375
Non-Government grants		326,021	242,834
Donations		138,689	150,537
Voluntary contributions		109	6,119
Social enterprises		534,842	861,418
Service income		50,962	174,622
Membership subscriptions		91	-
Interest		39,518	55,228
Government COVID Jobkeeper assistance		286,500	126,150
Other income		65,579	111,949
Gain on investment at fair value through profit or loss		59,959	-
Net gain on sale of fixed assets		67,136	254,415
		<u>17,792,502</u>	<u>15,841,346</u>
<i>Expenditure from Operating Activities</i>			
Depreciation and amortisation expense	3	545,098	934,375
Audit and accounting fees		21,084	27,000
Bank charges		16,736	21,056
Finance costs	3	28,775	41,230
Staffing expenses	3	11,379,088	11,526,345
Program expenses		3,211,448	2,202,114
Operating expenses		358,277	456,446
Property expenses		824,777	1,050,608
		<u>16,385,283</u>	<u>16,259,174</u>
Net Surplus/(deficit) for the Year		1,407,219	(417,828)
<i>Other Comprehensive Income</i>			
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
Total Comprehensive income/(loss) for the Year		1,407,219	(417,828)

The accompanying notes form part of this financial report

FAMILY LIFE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash & Cash Equivalents	10a	5,396,470	1,686,787
Term Deposit Investments	5	-	3,000,000
Investments at fair value	5	397,438	341,550
Receivables - Trade & Other	4	524,003	438,060
Other Current Assets		<u>255,658</u>	<u>280,327</u>
TOTAL CURRENT ASSETS		<u>6,573,569</u>	<u>5,746,724</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	1,956,954	2,101,607
Right of use assets	7	<u>479,393</u>	<u>881,487</u>
TOTAL NON-CURRENT ASSETS		<u>2,436,347</u>	<u>2,983,094</u>
TOTAL ASSETS		<u>9,009,916</u>	<u>8,729,818</u>
CURRENT LIABILITIES			
Trade & Other Payables		616,582	1,267,942
Accrued Expenses		605,140	449,099
Unearned Income		1,264,345	1,470,391
Interest Bearing Loan	11	3,890	3,218
Provision for Employee Entitlements		802,072	756,557
Provision for Employee Entitlements - LSL		373,048	419,330
Lease liability		<u>296,658</u>	<u>434,017</u>
TOTAL CURRENT LIABILITIES		<u>3,961,735</u>	<u>4,800,554</u>
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements - LSL		33,383	25,027
Lease liability		<u>203,456</u>	<u>500,114</u>
TOTAL NON-CURRENT LIABILITIES		<u>236,839</u>	<u>525,141</u>
TOTAL LIABILITIES		<u>4,198,574</u>	<u>5,325,695</u>
NET ASSETS		<u>4,811,342</u>	<u>3,404,123</u>
MEMBERS' FUNDS			
Accumulated Funds	8	4,596,220	3,189,001
Reserves	9	<u>215,122</u>	<u>215,122</u>
TOTAL MEMBERS' FUNDS		<u>4,811,342</u>	<u>3,404,123</u>

The accompanying notes form part of this financial report

FAMILY LIFE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Accumulated Funds \$	Reserves \$	Total \$
Balance at 1 July 2019		3,606,829	215,122	3,821,951
Loss for the year		(417,828)	-	(417,828)
Other comprehensive income		-	-	-
Total comprehensive income		(417,828)	-	(417,828)
Balance at 30 June 2020		3,189,001	215,122	3,404,123
 Balance at 1 July 2020		 3,189,001	 215,122	 3,404,123
Surplus for the year		1,407,219	-	1,407,219
Other comprehensive income		-	-	-
Total comprehensive income		1,407,219	-	1,407,219
Balance at 30 June 2021		4,596,220	215,122	4,811,342

The accompanying notes form part of this financial report

**FAMILY LIFE LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Government funding		17,839,917	15,974,730
Non-Government grants		414,892	465,933
Fundraising and donations		138,689	147,149
Social enterprises		534,842	861,417
Interest received		39,518	55,228
Other income		65,579	238,773
<i>Payments</i>			
Payments to employees and suppliers		(17,934,490)	(16,369,133)
Interest expense - leases		(28,775)	(41,230)
Net cash provided by operating activities	10b	1,070,172	1,332,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Net transfer from/(to) investments		3,004,071	(93,659)
Net proceeds from/(payments for) property, plant & equipment		68,784	743,080
Net cash provided by investing activities		3,072,855	649,421
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan for property, plant & equipment		-	(234,031)
Repayment of leases		(433,344)	(549,212)
Net cash used in financing activities		(433,344)	(783,243)
Net increase in cash & cash equivalents held		3,709,683	1,199,045
Cash & cash equivalents at the beginning of the financial year		1,686,787	487,742
Cash & cash equivalents at the end of the financial year	10a	5,396,470	1,686,787

The accompanying notes form part of this financial report

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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

Statement of compliance

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.

Application of the consolidation and equity accounting requirements

The Company has no investments in subsidiaries or investments in Associates and Joint Ventures.

Basis of preparation

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 are 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 from these assets.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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:

<u>Class of Depreciable Asset</u>	<u>Depreciation Method</u>	<u>Depreciation Rate</u>
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.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 on 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.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 contracts are held with customers, the Company has identified its performance obligations and used judgement and estimate 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 2020. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

The following pronouncement is relevant for the annual reporting period for not-for-profit (NFP) entities preparing special purpose financial statements:

- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*

AASB 2019-4 introduces additional disclosures in special purpose financial statements on the compliance with recognition and measurement requirements and is mandatorily effective for the current period (i.e. for the year ending 30 June 2021) for NFP entities.

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and makes consequential amendments to several other pronouncements and publications. The Fund has adopted these amendments for the first time in the current year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

There was no material impact to the financial statements as a result of the adoption of these standards.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 these financial statements, the Company has not applied the following new and revised Standards that have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i>	1 July 2022
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.</i>	1 July 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 July 2022
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 July 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 2021 and after this date, but do not anticipate that the impact will be material to the financial statements.

	2021 \$	2020 \$
Note 3: Surplus/(Deficit) from Operations Includes the Following Items of Expense		
Staffing expenses	11,379,088	11,526,345
Short term and low value lease expenses	154,391	424,391
Depreciation and amortisation expenses	545,098	934,375
Finance costs	28,775	41,230
	<u>12,107,352</u>	<u>12,926,341</u>
Note 4: Receivables - Trade & Other		
Trade debtors	134,321	377,258
Sundry debtors	389,682	60,802
	<u>524,003</u>	<u>438,060</u>
Note 5: Financial Assets		
<i>Current</i>		
NAB Term Deposits	-	3,000,000
	<u>-</u>	<u>3,000,000</u>
Investment, at fair value		
<i>Current</i>		
Australian Communities Foundation Main Fund	397,438	341,550

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
Note 6: Property, Plant & Equipment		
Land & Buildings	2,719,168	2,719,168
Less accumulated depreciation	<u>(858,420)</u>	<u>(808,209)</u>
	<u>1,860,748</u>	<u>1,910,959</u>
 Leasehold Improvements	 528,660	 528,660
Less accumulated depreciation	<u>(524,438)</u>	<u>(484,354)</u>
	<u>4,222</u>	<u>44,306</u>
 Furniture, Fittings & Equipment	 478,179	 475,082
Less accumulated depreciation	<u>(455,108)</u>	<u>(444,208)</u>
	<u>23,071</u>	<u>30,874</u>
 Motor Vehicles	 447,232	 504,624
Less accumulated depreciation	<u>(447,232)</u>	<u>(488,737)</u>
	<u>-</u>	<u>15,887</u>
 Computer & Electronics	 392,409	 383,762
Less accumulated depreciation	<u>(323,496)</u>	<u>(284,181)</u>
	<u>68,913</u>	<u>99,581</u>
 Total Written Down Value	 <u>1,956,954</u>	 <u>2,101,607</u>
 Note 7: Right of Use Assets		
Right of use assets at cost	1,154,890	1,483,343
Less accumulated amortisation	<u>(675,517)</u>	<u>(601,856)</u>
	<u>479,373</u>	<u>881,487</u>

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 7: Right of Use Assets (continued)

	Motor Vehicles \$	Premises \$	Total \$
Cost 1 July 2019	-	-	-
Additions	247,492	1,235,851	1,483,343
Disposals	-	-	-
Balance at 30 June 2020	247,492	1,235,851	1,483,343
Additions	-	-	-
Disposals	-	(328,453)	(328,453)
Balance at 30 June 2021	247,492	907,398	1,154,890
 Accumulated amortisation at 1 July 2019	-	-	-
Disposals	-	-	-
Amortisation expense	50,373	551,483	601,856
Balance at 30 June 2020	50,373	551,483	601,856
Disposals	-	(328,433)	(328,433)
Amortisation expense	50,373	351,721	402,094
Accumulated amortisation at 30 June 2021	100,746	574,771	675,517
Written down value	146,746	332,627	479,373
	2021 \$	2020 \$	
Amounts recognised in profit or loss			
Depreciation on right of use assets	402,094	601,856	
Interest expense on lease liabilities	28,775	34,991	
Expense relating to short term or low value leases	154,391	424,391	

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Note 8: Accumulated Funds		
Balance at beginning of the financial year	3,189,001	3,606,829
Surplus/(Deficit) for the year	1,407,219	(417,828)
Transfers from/(to) Reserves:		
Sustainability Reserve	-	-
Balance at end of the financial year	<u>4,596,220</u>	<u>3,189,001</u>

Note 9: Reserves

Sustainability Reserve		
Balance at beginning of the financial year	71,734	71,734
Transfer from Accumulated Funds	-	-
	<u>71,734</u>	<u>71,734</u>

The purpose of the Sustainability Reserve is to support Family Life into the future and to ensure the agency is able to discharge its liabilities in the event of a contingency. The Board will review this reserve in 21/22 to take into account the balance of the Accumulated Funds.

Specified Program Reserve		
	143,38	143,38
Balance at beginning of the financial year	8	8
Transfer from Accumulated Funds	-	-
	<u>143,388</u>	<u>143,388</u>

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

Total Reserves	<u>215,122</u>	<u>215,122</u>
----------------	----------------	----------------

Note 10: 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:

Cash on Hand	1,662	2,713
Cash at Bank	<u>5,394,808</u>	<u>1,684,074</u>
	<u>5,396,470</u>	<u>1,686,787</u>

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Note 10: Reconciliation of Cash and Net Cash Flows from Operating Activities (cont.)		
(b) <i>Reconciliation of surplus/(deficit) to net cash flows from operating activities</i>		
Surplus/(Deficit) for the year	1,407,219	(417,828)
Depreciation and amortisation	545,098	934,375
Profit on sale of assets	(67,136)	(254,415)
Unrealised gain investment	(59,959)	-
(Increase)/Decrease in Trade & Other Receivables	(85,943)	(257,129)
(Increase)/Decrease in Other Assets	24,669	(61,134)
Increase/(Decrease) in Trade & Other Payables	(651,360)	503,673
Increase/(Decrease) in Accrued Expenses	156,041	2,076
(Decrease)/Increase in Unearned Income	(206,046)	730,848
Increase/(Decrease) in Provisions for Employee Entitlements	7,589	152,401
Net cash provided by operating activities	<u>1,070,172</u>	<u>1,332,867</u>
Note 11: Interest Bearing Loan		
Current	3,890	3,218
Non-Current	<u>-</u>	<u>-</u>
	<u>3,890</u>	<u>3,218</u>

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 the reporting date was 2.71% p.a. (2020: 2.79% 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.

FAMILY LIFE LIMITED
NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
Note 12: Lease Commitments		
<i>Short term and low value leases</i>		
Within twelve months	50,484	145,361
Twelve months or later and no longer than five years	33,756	38,724
Longer than five years	60,441	63,462
	144,681	247,547

The Company leases two buildings with 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 to deliver its services. These leases are provided to the Company for \$320 and \$52 per annum respectively.

The Company has elected to measure these leases at cost.

Note 13: Subsequent Events

There have been no material events subsequent to the balance date.

Note 14: Member's 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 the reporting date is 37.

Note 15: 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.

Note 16: 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 2021.

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: 27 October, 2021

27 October 2021

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 2021, 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 refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Organisation.

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 2021, 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 23.

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 2021 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.

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 2021, 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.

- 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

DELOITTE TOUCHE TOHMATSU



Jane Fisher
Partner
Chartered Accountants
Melbourne, 27 October 2021