INDEPENDENT LIVING CENTRE NSW

ABN: 44 103 681 572

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019

The financial report covers Independent Living Centre NSW (trading as Assistive Technology Australia) as an individual entity. The financial report is presented in the Australian currency. The financial report was authorised for issue by the directors on the 17th October 2019. The company has the power to amend and reissue the financial report.

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DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2019.

1) Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Role
Mr Jonathan Ladd	Chairperson
Ms Ann-Mason Furmage	Deputy Chairperson
Ms Fiona Given	Director
Ms Gurleen Knight	Director
Mr Matthew Russell	Director
Mrs Nicola Cooper	Director (Appointed 8 November 2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The principal activities of the entity during the financial year were to provide information services to people with disabilities, older people, carers, allied health professionals and the community on Assistive Technologies (Aids and Equipment) and the built environment.

The entity's short-term objectives are to:

- Ensure that our service delivery models person-centered practice and develops resources to build consumer capacity in decision making.
- Increase the breadth and scope of our skills and knowledge base across the spectrum of Assistive Technologies.
- Develop our Registered Training Organisation and Access Consultancy activities so that they sustain the core business.

The entity's long-term objectives:

Vision: Endless possibilities for all.

Organisational Purpose: To provide impartial advice, information and leadership that builds capacity and optimises the value of assistive technology in leading a life of choice.

Our Strategic Purpose:

1. Extend our reach
2. Develop our brand
3. Explore, develop and nurture relationship and partnerships
4. Invest in people and processes to enhance our impact

To achieve these objectives, the entity has adopted the following strategies:

- Maintains a comprehensive display that is inclusive of home automation and ensures that staff understands the features and applications.
- Undertakes a strategic planning process and aligns business to strategic objectives

DIRECTORS' REPORT (continued)

- Maintains accreditation as a Registered Training Organisation.
- Maintains the commitment of the Board of Directors and staff to providing the best possible outcomes for the people of NSW who require Assistive Technologies to have and maintain their independence and quality of life.
- Supports staff in their professional development to ensure that ILCNSW skills and knowledge adapt to the changing Assistive Technology environment.
- Seeking project funds from sources other than government.

2) Information on directors

Mr Jonathan Ladd	-	Independent Non-Executive Director
Qualifications	-	University of Durham, UK, 1973-76 BA Philosophy and Psychology.
Experience	-	Jonathan Ladd has over 38 years of diverse line, technology, management, consulting and director-level experience, including global Chief Information Officer for P&O Group and Executive Chair of Datacom International. His experience covers business strategy, management and information technology across multiple sectors, working in multiple countries and cultures. Mr Ladd was appointed as a Director in November 2009 and appointed as the Chairperson of the board in 2011.
Special Responsibilities	-	Chairperson from 26th November 2011

Ms Ann-Mason Furmage	-	Independent Non-Executive Director
Qualifications	-	B.Bus (Accounting) WAIT (now John Curtin University) Certified Practicing Accountant (Now retired)
Experience	-	Ann-Mason Furmage is a person with physical disabilities who retired from active employment after more than twenty years' experience as an accountant and financial controller in Australia and the USA. Ms Furmage is a former President of the Physical Disability Council of NSW (2004-2013) and was appointed as a Director of the ILCNSW in May 2009.
Special Responsibilities	-	Deputy Chairperson from 9th December 2013

DIRECTORS' REPORT (continued)

Ms Fiona Given	-	Independent Non-Executive Director
Qualifications	-	BA (Hons) LLB (Macquarie University, 2004) Grad. Dip in Legal Practice (College of Law)
Experience	-	Fiona Given is a person with cerebral palsy and complex communication needs and uses various forms of AAC and various forms of assistive technologies. She is the President of AAC Voice. Fiona has worked in a range of legal settings. Currently she is a part time general member of Guardianship and Administrative and Equal Opportunity Divisions of the NSW Civil and Administrative Tribunal and runs her own consultancy business doing various research projects in the disability sector. Ms Given was appointed as a Director in March 2013.

Ms Gurleen Knight	-	Independent Non-Executive Director
Qualifications	-	Bachelor's Degree in Economics, Postgraduate Diploma in International Business & Finance
Experience	-	Gurleen is an Organisational Development professional with over 18 years' experience across a diverse number of industries including Education, Banking, Government, Manufacturing, Media Telecommunications, FMCG and professional services. She has expertise in designing and implementing people strategies to create a culture of trust, transparency, performance and innovation. Gurleen has worked for and consulted to a diverse range of Australian and multinational companies such as Telstra, ASIC, PwC, Westpac, Chubb Securities and recently Navitas Ltd. At Navitas, Gurleen was the Global Head of Organisational Development, Group HR for 3.5 years. During this time, she has designed and led global Group HR implementations on change management, performance management, executive development programmes and succession planning. Gurleen has served in voluntary non-executive roles, in emergency services, ageing, disability, health and housing sectors. Gurleen was appointed as a Director on 12 November 2015.

DIRECTORS' REPORT (continued)

Mr Matthew Russell	-	Independent Non-Executive Director & Company Secretary
Qualifications	-	LLB, ACIS, AGIA
Experience	-	Matthew Russell is an experienced IT Corporate Lawyer with specialties across a range of sectors. He is currently Senior Counsel and Generalist In-House Lawyer to Insight Enterprises Australia, with responsibilities across the Asia and Pacific region. Matthew has training in governance, risk management and in compliance and is a graduate of the Governance Institute of Australia. Mr Matthew Russelles was appointed as a Director and the company secretary on 6 April 2017.

Mrs Nicola Cooper	-	Independent Non-Executive Director
Qualifications	-	Bachelor of Applied Science in Occupational Therapy, Master of Public Health
Experience	-	Nicola Cooper has over 25 years of experience in health and public health. Nicola has worked across a range of clinical settings as an Occupational Therapist and has been a manager for Community Care Occupational Therapy and the ACT Independent Living Centre. She has worked in the medico-legal and quality and safety areas of health, and is currently a Clinical Care Coordinator for people with chronic diseases in Canberra Health Services. Nicola has worked in public health policy and research roles for NSW Health. She has worked in the (then) Department of Health and Ageing in the data policy and the cancer services sections. Nicola has been an ethics officer in the National Health and Medical Research Council. Nicola has worked as an Access and Education Officer for the Uniting Church, during which time she researched disability access, wrote policy, educational material and an Action Plan for more effective inclusion of people with disability. Nicola Cooper was appointed as a Director on 08 November 2018.

3) Meetings of directors

During the financial year, 8 meetings of directors were held. Attendances by each director were as follows:

DIRECTORS' REPORT (continued)

	Directors Meetings	
	Number eligible to attend	Number attended
Mr Jonathan Ladd	8	7
Ms Ann-Mason Furmage	8	8
Ms Fiona Given	8	5
Ms Gurleen Knight	2	0
Mr Matthew Russell	8	8
Nicola Cooper	6	6

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the collective liability of members was $16 (2018: $17).

4) Company secretary

Matthew Russell was appointed Company Secretary from 6 April 2017.

5) Operating and financial review

Overview

For the financial year ended 30 June 2019, the company recorded a net surplus of $25,909, compared with a net surplus of $70,332 in the previous financial year. The company's total equity increased by $25,668 to $775,606 from $749,938 during the financial year ended 30 June 2019. This increase consists of the net surplus of $25,909 and a decrease of $241 in the financial asset revaluation reserve at the end of financial year 2019.

The company's major sources of income remained a combination of government block funding as well as its access advisory and training businesses. For the financial year ended 30 June 2019, the company's total income was $1,251,800. Compared to the prior financial year, total income decreased by $289,132 primarily due to the decreased government funding and the Everyone Connects Australia project ended in the prior financial year. We are pleased that during the past financial year the company continued to generate a meaningful surplus from its access advisory and training businesses to help fund its government funded core businesses.

Compared to the prior financial year, total expenditure decreased by $244,709 to $1,225,891 for the financial year ended 30 June 2019. This decrease was primarily due to the decreased training expenses and the Everyone Connects Australia project ended in the prior financial.

Total assets decreased by $767,649 to $1,222,372 from $1,990,021 during the financial year ended 30 June 2019. This decrease in total assets was mainly due to the decrease in the balance of cash and cash equivalents, which was primarily due to all the government funding received in advance at the end of financial year 2018 was expended during the financial year.

DIRECTORS' REPORT (continued)

5) Operating and financial review (continued)

The company's cash and cash equivalents balance decreased by $863,243 to $1,013,313 from $1,876,556 during the financial year ended 30 June 2019. As at 30 June 2019, the company's cash and cash equivalents balance represents about 83% of the company's total assets. Total liabilities also decreased by $793,318 to $446,765 from $1,240,083 at the end of financial year 2019 due to all the government funding received in advance was expended during the financial year 2019.

6) Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the company, to significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

7) Likely developments

The company will endeavour to pursue its principal activities at a minimal or break-even outcome consistent with its not-for-profit status and objectives. It is not expected that the results in future years will be adversely affected by the continuation of these operations.

Further disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Jonathan Ladd
Director

Ann-Mason Furmage
Director

Sydney

Dated 17 October 2019

Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012

As lead audit partner for the audit of the financial statements of Independent Living Centre NSW for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

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

Yours sincerely

Nexia

Nexia Sydney Partnership

Mark Boyle
Partner

Dated: 17 October 2019
Sydney

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Independent Auditor's Report to the Members of Independent Living Centre NSW

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Independent Living Centre NSW (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information comprises the information in Independent Living Centre NSW's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do 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, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

Report on the Requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2015 (NSW)

We have audited the financial report as required by section 24(2) of the *Charitable Fundraising Act 1991 (NSW)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and *Charitable Fundraising Regulation 2015*.

Because of any inherent limitations of any assurance engagement, it possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements prescribed in the above-mentioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) The financial report gives a true and fair view of the financial results of fundraising appeal activities for the financial year ended 30 June 2019;

b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2019, in accordance with the *Charitable Fundraising Act 1991* and Regulations;

c) Money received as a result of fundraising appeal activities conducted during the financial year ended 30 June 2019 has, in all material respects, been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and

d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Nexia

Nexia Sydney Partnership

Mark Boyle

Partner

Dated: 17 October 2019

Sydney

DIRECTORS' DECLARATION

The Directors of Independent Living Centre NSW declare that, in their opinion:

a) There are reasonable grounds to believe the registered entity is able to pay all of its debts, as and when they become due and payable;

b) The attached financial statements and notes thereto satisfy the requirements of the *Australian Charities and Not-For-Profits Commission Act 2012*, including:

  i) giving a true and fair view of the financial position and performance of the registered entity; and

  ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-For-Profit Commission Regulation 2013*; and

c) The provisions of the *Charitable Fundraising Act (NSW) 1991* and regulations under that Act and the conditions attaching to the authority to fundraise have been complied with; and

d) The internal controls exercised by the company are appropriate and effective in accounting for all income received.

Signed in accordance with a resolution of the Board of directors pursuant to Regulation 60.15 of the *Australian Charities and Not-For-Profits Commission Regulation 2013.*

On behalf of the directors

Jonathan Ladd
Director

Ann-Mason Furmage
Director

Sydney
Dated

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
INCOME			
Revenue	(4)	1,251,800	1,540,932
TOTAL INCOME		**1,251,800**	**1,540,932**
EXPENSES			
Employee benefits expense	(5.a)	(865,730)	(1,002,239)
Depreciation and amortisation expense	(5.b)	(13,911)	(29,540)
Office building operating lease expense		(149,939)	(145,571)
Loss on Disposal of Assets		-	(1,250)
Operational Expenses		(90,032)	(169,274)
Administration Expenses		(106,279)	(122,726)
TOTAL EXPENSES	(5)	**(1,225,891)**	**(1,470,600)**
SURPLUS FOR THE YEAR		**$25,909**	**70,332**
OTHER COMPREHENSIVE INCOME *Items that will not be reclassified subsequently to profit and loss*			
(Loss)/gain on the revaluation of equity instruments at fair value through other comprehensive income		(241)	1,570
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**25,668**	**71,902**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	(6)	1,013,313	1,876,556
Trade and other receivables	(7)	23,261	19,903
Prepayments	(8)	163,406	57,271
TOTAL CURRENT ASSETS		**1,199,980**	**1,953,730**
NON-CURRENT ASSETS			
Plant and equipment	(10)	15,156	28,640
Financial assets	(9)	7,236	7,651
TOTAL NON-CURRENT ASSETS		**22,392**	**36,291**
TOTAL ASSETS		**1,222,372**	**1,990,021**
CURRENT LIABILITIES			
Payables and other liabilities	(11)	197,241	123,032
Deferred grant revenue	(12)	-	889,180
Employee benefits	(13.a)	191,455	167,718
TOTAL CURRENT LIABILITIES		**388,696**	**1,179,930**
NON-CURRENT LIABILITIES			
Employee benefits	(13.b)	18,069	20,152
Other provisions	(24)	40,000	40,000
TOTAL NON-CURRENT LIABILITIES		**58,069**	**60,152**
TOTAL LIABILITIES		**446,765**	**1,240,082**
NET ASSETS		**775,607**	**749,939**
EQUITY			
Reserves	(14)	4,944	5,185
Retained surplus		770,663	744,754
TOTAL EQUITY		**775,607**	**749,939**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Reserves $	Retained Earnings $	Total Equity $
Balance at 1 July 2017	**3,615**	**674,422**	**678,037**
Surplus for the year	-	70,332	70,332
Other comprehensive income	1,570	-	1,570
Balance at 30 June 2018	**5,185**	**744,754**	**749,939**
Balance at 1 July 2018	**5,185**	**744,754**	**749,939**
Surplus for the year	-	25,909	25,909
Other comprehensive income	(241)	-	(241)
Balance at 30 June 2019	**4,944**	**770,663**	**775,607**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities:			
Receipts from government and other sources		531,877	2,329,703
Dividends received		334	305
Interest received		29,431	23,775
Payments of operating expenses		(1,424,590)	(1,576,405)
Net cash (used in) / provided by operating activities		**(862,948)**	**777,378**
Cash flows from investing activities:			
Capital Returned from Financial Asset Investment		175	-
Purchase of non-current assets		(470)	(27,346)
Net cash (used in) / provided by investing activities		**(295)**	(27,346)
Net (decrease) / increase in cash and cash equivalents held		**(863,243)**	**750,032**
Cash and cash equivalents at the beginning of the financial year		1,876,556	1,126,524
Cash and cash equivalents at the end of financial year	(17)	**1,013,313**	**1,876,556**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Independent Living Centre NSW (the 'company'), trading as Assistive Technology Australia, is a company domiciled in Australia and limited by guarantee. The address of the company's registered office is Level 4, Shop 4019, 17 Patrick Street Blacktown NSW 2148. The company is primarily involved in the provision of a display, information and educational service about products, equipment, environmental design and resources to assist people with daily living activities.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations of the Australian Accounting Standards Board and the *Australian Charities and Not-For-Profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australia Accounting Standards Board (AASB) has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs.

The financial statements were approved by the Board on 17th October 2019.

The company has adopted all the new revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

b. Presentation currency

These financial statements are presented in Australian dollars which is the company's functional currency.

c. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and may have impact on future periods.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest revenue

Interest revenue is recognised as it accrues.

Government grants

A number of the Company's programs are supported by grants received from the federal and state governments. If conditions are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered. Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Dividends

Dividend income is recognised at the time the right to receive payment is established.

Other income

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

b. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this circumstance the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

c. Income tax

As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial instruments

The new AASB 9 Financial Instruments has been adopted in this financial report. The adoption of AASB 9 has not had financial impact on the financial statements and has not resulted in any adjustment of account balances to the current or prior year.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument. Financial instruments, except for receivables, are measured initially at fair value plus transactions costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit and loss immediately.

Receivables are initially recognised at fair value and subsequently at amortised cost less impairment. The collectability of receivables is assessed on an ongoing basis and specific provision is made for any doubtful amounts when required.

Classification and subsequent measurement for financial assets

Financial assets are classified as subsequently measured at:

- amortised cost,
- fair value through other comprehensive income, or
- fair value through profit and loss

on the basis of both:

- the entity's business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset.

Financial assets are measured at amortised cost if both of the following conditions are met:

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

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial instruments (continued)

Financial assets are measured at fair value through profit or loss if the financial assets do not meet the conditions of measurement at amortised cost or fair value through other comprehensive income.

Equity instruments
At initial recognition, equity instruments that are not held for trading, are eligible for an irrevocable election to be measured at fair value through other comprehensive income, while the dividend revenue received from these instruments will still be recognised in profit or loss.

Classification and subsequent measurement for financial liabilities
Financial liabilities are subsequently measured at:

- amortised cost, using the effective interest method; or
- fair value through the profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination
- held for trading; or
- initially designated as at fair value through profit and loss.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Impairment
The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised costs or fair value through other comprehensive income. Loss allowance is not recognised for financial assets measure at fair value through profit or loss, or equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity applies a simplified approach in accounting for trade and other receivables and recognises a loss allowance for the amount equal to lifetime credit losses. In measuring the expected credit loss, various data including historical records and external indicators was taken into consideration.

Recognition of expected credit losses in financial statements
At each reporting data, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of a financial asset measured at amortised cost includes the loss allowance relating to that asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial instruments (continued)

Recognition of expected credit losses in financial statements (continued)
Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Derecognition
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying value and the fair value of the consideration paid or received of a derecognised financial instrument is recognised in profit and loss.

e. Impairment of non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

f. Plant and equipment

Recognition and measurement
Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of plant and equipment at 1 January 2004, the date of transition to AASBs, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Plant and equipment (continued)

Subsequent costs
The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

▪ Office equipment	5 years
▪ Furniture & fittings	5 years
▪ Motor vehicles	5 years
▪ Leasehold Improvements (lease term)	5 years

g. Payables
Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days. Other than the government and private funding (which are subject to contractual conditions), no payables are secured.

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

i. Employee entitlements
Annual leave
The provision for annual leave represents present obligations resulting from employees' services provided up to reporting date, and is calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs.

Long service leave
Long service leave is provisioned for employees who have continuously completed a minimum of 5 years of services with the company, and is calculated at undiscounted amounts based on the remuneration wage and salary rates of the employees as at the reporting date, including related on-costs. Long service leave for employees, who have continuously completed less

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Employee entitlements (continued)

Long service leave (continued)
than 9 years of service with the company as at the reporting date are recorded as a non-current liability.

Superannuation
The company contributes to several superannuation plans. Contributions are charged against profit or loss as they are incurred.

j. Leases
The company has entered into an operating lease for the premises it occupies. Rental payments rise by an agreed fixed rate and are expensed on a straight-line basis over the lease term.

k. Provisions, contingent liabilities and contingent assets
Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

l. Reserves
Components of equity include the following:

- Financial assets at fair value through other comprehensive income reserve, which is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income (see note 3.d).
- Retained earnings including all current and prior period retained profits

m. Economic dependence
The Entity is dependent upon the ongoing receipt of Federal and State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report, the management has no reason to believe that this financial support will not continue.

n. Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2019 $	2018 $
4. REVENUE		
State government funding	827,665	931,380
Federal government funding	122,229	133,674
Dividends received	477	435
Interest revenue	28,486	22,999
Other revenues	272,943	452,444
Total Revenue	**1,251,800**	**1,540,932**

5. EXPENSES

	2019 $	2018 $
a. Employee benefits expense		
Annual leave provision	60,939	80,409
Long service leave provision	16,498	(8,128)
Superannuation	77,980	86,572
Wages & salaries	677,620	800,034
Insurance	17,251	17,762
Others	15,442	25,590
Total employee benefits expense	**865,730**	**1,002,239**
b. Depreciation expense		
Amortisation - Leasehold improvement	3,195	2,924
Depreciation - Motor vehicle	6,435	6,436
Other depreciation	4,281	20,180
Total depreciation expense	**13,911**	**29,540**

6. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Current		
Cash at bank	254,789	996,550
Petty cash	173	440
Short-term investments*	758,351	879,566
Total	**1,013,313**	**1,876,556**

* Included in Short-term investments is a term deposit for $39,371 which is a Bank Guarantee for approximately three months' rent of the office building.

7. TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Current		
Trade debtors	16,470	12,502
Less: allowance for expected credit losses	(1,881)	(2,072)
Other debtors	8,672	9,473
Total	**23,261**	**19,903**

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2019 $	2018 $
8. PREPAYMENTS		
Current		
Prepayments	163,406	57,271
9. FINANCIAL ASSETS		
Non-Current		
Listed shares at fair value through other comprehensive income	7,236	7,651
Total	**7,236**	**7,651**
10. PLANT AND EQUIPMENT		
Non-current – owned:		
Office equipment – at cost	176,994	176,566
Less: Accumulated depreciation	(175,189)	(170,908)
	1,805	**5,658**
Office furniture & fittings	23,150	23,150
Less: Accumulated depreciation	(23,150)	(23,150)
	-	-
Leasehold Improvements	698,644	698,644
Less: Amortisation on Leasehold Improvements	(689,583)	(686,388)
	9,061	**12,256**
Motor vehicles	32,177	32,177
Less: Accumulated depreciation	(27,887)	(21,451)
	4,290	**10,726**
Total carrying amount of plant and equipment	**15,156**	**28,640**

RECONCILIATIONS

Reconciliations of the carrying amounts (book value) for each class of plant and equipment are set out below:

	2019 $	2018 $
Office equipment – owned:		
Carrying amount at beginning of year	5,658	17,923
Additions	427	9,679
Write back of asset original costs on disposal	(63,652)	(12,270)
Write back of depreciation on disposal	63,652	10,130
Depreciation	(4,280)	(19,804)
Carrying amount at end of year	**1,805**	**5,658**

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2019 $	2018 $
10. PLANT AND EQUIPMENT (continued)		
Office furniture & fittings – owned:		
Carrying amount at beginning of year	-	376
Additions	-	-
Write back of asset original costs on disposal	-	-
Write back of depreciation on disposal	-	-
Depreciation	-	(376)
Carrying amount at end of year	-	-
Leasehold improvements:		
Carrying amount at beginning of year	12,256	-
Additions	-	15,180
Write back of asset original costs on disposal	-	-
Write back of depreciation on disposal	-	-
Depreciation	(3,195)	(2,924)
Carrying amount at end of year	**9,061**	**12,256**
Motor vehicles – owned:		
Carrying amount at beginning of year	10,726	17,161
Additions	-	-
Disposals	-	-
Write back of depreciation on disposal	-	-
Depreciation	(6,436)	(6,435)
Carrying amount at end of year	**4,290**	**10,726**

11. PAYABLES AND OTHER LIABILITIES

	2019 $	2018 $
Current		
GST payable	28,115	22,917
Other creditors and accruals	169,126	100,115
Total	**197,241**	**123,032**

12. DEFERRED GRANT REVENUE

	2019 $	2018 $
Current		
Government grants received in advance	-	889,180
Other grants received in advance	-	-
Total	-	**889,180**

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2019 $	2018 $
13. EMPLOYEE BENEFITS		
a. Current		
Long service leave provision	77,268	58,744
Annual leave provision	114,187	108,974
Total	**191,455**	**167,718**
b. Non-Current		
Long service leave provision	18,069	20,152

It is our expectation that all staff will take leave entitlements in due course. Four staff members have exceeded ten years of continuous service with the company. Three staff members have over five, but less than ten, years of continuous service.

14. RESERVES

Financial assets at fair value through OCI

	2019 $	2018 $
Balance at Beginning of Year	5,185	3,615
Increase/(Decrease) in market value	(241)	1,570
Balance at End of Year	**4,944**	**5,185**

15. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel of the Company include the CEO and the Client Service Manager.

	2019 $	2018 $
Total Key Management Personnel Compensation	228,857	283,694

16. INFORMATION TO BE FURNISHED UNDER THE *CHARITABLE FUNDRAISING ACT 1991.*

	2019 $	2018 $
Gross proceeds from fundraising:		
General Donations	606	617
Net surplus from fundraising	**606**	**617**
Statement showing how funds received were applied to Charitable Purposes:		
Supporting free community education programs, improving product displays	606	617

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991. (continued)

	2019 $	2018 $
List of all forms of fundraising conducted during the financial year:		
General Donations	606	617
Comparisons of monetary figures and percentages:		
Total cost of fundraising/	-	-
Gross income from fundraising	606	617
Percentage	-	-
Net surplus from fundraising/	606	617
Gross income from fundraising	606	617
Percentage	**100%**	**100%**
Comparisons of monetary figures and percentages:		
Total cost of services	1,225,891	1,470,600
Total expenditure	1,225,891	1,470,600
Percentage	**100%**	**100%**
Total cost of services	1,225,891	1,470,600
Total income	1,251,800	1,540,932
Percentage	**97.93%**	**95.44%**

17. NOTES TO THE STATEMENT OF CASH FLOWS

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash at bank, petty cash on hand and short-term investments in term deposit instruments. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2019 $	2018 $
Petty Cash	173	440
Cash at Bank - Current	254,788	996,550
Term Deposits	758,352	879,566
Total	**1,013,313**	**1,876,556**

18. STATE SUPERANNUATION FUNDS DEFINED BENEFIT SURPLUS

Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS) of actuarially assessed surpluses totalling $94,372 at 30 June 2019, in the Defined Benefit Superannuation Accounts of a former

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2019 $	2018 $

18. STATE SUPERANNUATION FUNDS DEFINED BENEFIT SURPLUS (continued)

employee and member in receipt of a superannuation pension. At 30 June 2019, the accrued liability for future pension payments was $46,168, which was funded by estimated reserves of $118,816 in SASS and $21,724 in SANCS. The surplus fund is not available to the Company and the company may be required to meet ongoing commitments to the member's account in future years, having regard to anticipated lower superannuation fund earnings and higher inflation. In view of the above information, the directors have decided that the assessed surplus at 30 June 2019 should not be brought to account in the Financial Statements.

19. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease expense commitments

Future operating lease commitments not provided for in the financial statements and payable:

	2019 $	2018 $
Not later than 12 months from 1 July 2019	149,939	150,097
Later than 12 months from 1 July 2019*	313,506	449,836
Total	**463,445**	**599,933**

* The company renewed its centre's office building lease for five years starting from 30 April 2017 to 29 April 2022

20. CONTINGENT LIABILITIES

The company has given bank guarantees as at 30 June 2019 of $39,371 (2018: $38,599) to the landlord of its current office building. It is our opinion that all grants received will be used in the normal course of the business of the centre.

21. CAPITAL COMMITMENTS

There are no capital commitments at balance date (2018: Nil).

22. RELATED PARTIES

There was no related party transaction between key management personal, the board and the company during the reporting period (2018: $898):

23. SUBSEQUENT EVENTS

There are no subsequent events up to the date of finalising the annual report that would materially impact the position as at 30 June 2019 or the results to that date (2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. MAKE GOOD PROVISION

The operating lease relating to the office building that the company occupies records a make good clause that requires the company to restore the office building back to the condition that existed at the time the company entered the building. The recently renewed lease expires in April 2022 and it is the view of the company that the make good cost would be approximately $40,000. Due to the renewal of the office building ease for another five years in 2017, the make good provision of $40,000, which was initially provided and amortised during the previous lease term, was not required to be paid out due to no make good expense was incurred at the end of the previous lease term. Furthermore, the company decides that the provision does not need to be recapitalised and amortised over the new lease term. The provision is classified as non-current liability until the last year of the new lease.