

Foundation 61 Inc.
ABN 79 079 178 867
For the year ended 30 June 2021

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Committee's Report

Foundation 61 Inc.

For the year ended 30 June 2021

Committee's Report

Your committee members submit the financial report of Foundation 61 Inc. for the financial year ended 30 June 2021.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Committee Member	Position	Date Started	Qualification
Hal Bisset	Chairperson	2008	AM, BSc(hons), DipEd BD
Colin Bell	Deputy Chairperson	28/11/2017	BSc(hons), MSc, PhD, GCHELD
Brenda Lyons	Treasurer	16/12/2014	Bcom BSc
Michael Brugman	Committee Member	2016	BA, LLB
Kaye Ward	Committee Member	2015	BA, BSW, Dip Ed, Grad Dip in Family Therapy, Grad Dip in Spiritual Direction
Rob Lytzki	Committee Member		

Meetings of Committee Members

During the financial year, a number of committee meetings were held. Attendances by each committee member during the year were as follows:

Committee Members Name	Number Eligible to Attend	Number Attended
Hal Bisset	7	7
Colin Bell	7	7
Michael Brugman	7	7
Brenda Lyons	7	7
Rob Lytzki	7	7
Kaye Ward	7	6

Principal Activities

Not-for-profit community based charity that seeks to provide healing and hope for people affected by addiction. Provide long stay residential based drug and alcohol rehabilitation centre.

Significant Changes

Foundation 61 Inc has previously

- entered a funding agreement with the Commonwealth for \$169,543 for Stage 1 of a project to develop a Women's Drug and alcohol rehabilitation facility;
- entered a Contract of Sale with the Uniting Church of Australia to purchase the property at 120 Russells Road, Mt Duneed conditional upon obtaining planning approval; and
- lodged a submission with the City of Greater Geelong to develop the Women's Rehabilitation facility on the land

In 2021-22 Foundation 61 Inc expects:

- entering a second Funding Agreement with the Commonwealth Government for \$1,330,466;
- settlement on the purchase of the land at 120 Russells Road; and
- the commencement of construction of the facility. Completion of construction is anticipated to occur in 2022-23

Operating Result

The surplus after providing for income tax for the financial year amounted to \$189,002

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:



Brenda Lyons - committee member (Treasurer)

Date 29 / 11 / 2021

Income and Expenditure Statement

Foundation 61 Inc.

For the year ended 30 June 2021

	2021	2020
Income		
Cash Flow Boost	33,788	10,000
Client Fees	220,678	209,804
Gain/(Loss) on Disposal of Asset	-	7,545
Gifts and Donations	241,166	415,977
Government Grants	10,000	-
Grants	37,600	190,620
Job Keeper Receipts	180,900	48,000
Miscellaneous Income	-	6,179
Other Revenue	7,707	-
Sponsorship Rooms	23,400	22,050
Training Income	73,721	85,939
Total Income	828,960	996,115
Total Income		
	828,960	996,115
Expenses		
Accounting Fees	1,820	1,800
Advertising & Marketing	-	2,004
Bank Fees	589	2,051
Catering	1,751	-
Computer Expenses	10,847	1,229
Depreciation	30,654	19,199
Electricity & Gas	15,934	15,843
Insurance	17,398	16,540
Internet	654	709
Miscellaneous Expenses	1,662	10,618
Motor Vehicle	65,745	340,373
Office Expenses	4,138	5,042
Printing & Stationery	10	1,031
Property Maintenance	21,522	21,572
Rates	4,716	5,137
Rent	38,613	36,316
Social Enterprise Projects	17,984	17,699
Subscriptions & Memberships	1,236	322
Sundry Expenses	70	-
Superannuation	27,216	31,470
Telephone	4,808	4,771
Travel and Accommodation	286	-
Training & Conferences	788	4,933
Wages & Salaries	353,658	91,878
Webpage	429	420

Income and Expenditure Statement

	2021	2020
Workcover Insurance	17,427	27,906
Total Expenses	639,958	658,862
Surplus/(Deficit)	189,002	337,252
Net Surplus After Adjustments	189,002	337,252
Net Surplus	189,002	337,252

Assets and Liabilities Statement

Foundation 61 Inc.

As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	2	482,686	360,894
GST Receivable		3,777	9,697
Fringe Benefits Tax Payable		-	1,440
Total Current Assets		486,463	372,032
Non-Current Assets			
Land and Buildings	3	784,337	684,411
Plant and Equipment and Vehicles	4	69,709	60,897
Other Non-Current Assets			
Bond - Transition House		1,474	1,474
Total Other Non-Current Assets		1,474	1,474
Total Non-Current Assets		855,520	746,782
Total Assets		1,341,983	1,118,814
Liabilities			
Current Liabilities			
Trade and Other Payables	5	17,935	16,948
Client Petty Cash Payable		805	4,886
Employee Entitlements	6	78,669	41,407
Total Current Liabilities		97,409	63,242
Total Liabilities		97,409	63,242
Net Assets		1,244,574	1,055,572
Member's Funds			
Opening Balance		1,055,572	718,320
Current Year Earnings		189,002	337,252
Total Member's Funds		1,244,574	1,055,572

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

Foundation 61 Inc.

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the association is not a reporting entity. No Australian Accounting Standards or other pronouncements of the Australian Accounting Standards have been applied.

a) Statement of Compliance

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB 107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031: Materiality and AASB 1054: Australian Additional Disclosures.

The Entity has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

The financial statements, except the cash flow information have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

b) Fixed Assets

Plant and equipment are brought to account at cost. The depreciable amount of all fixed assets (excluding buildings) are depreciated over the useful lives of the assets to the association commencing from the time that asset is held ready for use.

c) Depreciation

All assets except land & buildings are depreciated over their estimated useful lives using the straight-line method. The depreciation rate used for Plant & Equipment is the applicable Australian Taxation Office rate.

Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

These notes should be read in conjunction with the attached compilation report

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Revenue and Other Income

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

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

These notes should be read in conjunction with the attached compilation report.

	2021	2020
2. Cash on Hand		
Bank & Petty Cash		
Bank - Gift Account	47,750	70,025
Bank - Holding Account	181,305	180,087
Bank - Working Account	248,316	108,207
Petty Cash	5,315	2,575
Total Cash on Hand	482,686	360,894

	2021	2020
3. Land and Buildings		
Land		
Land at Cost	150,000	150,000
Land & Buildings - Russells Road	56,818	56,818
Total Land	206,818	206,818
Buildings		
Buildings at Cost	329,779	329,779
Accumulated Depreciation of Buildings	(63,568)	(55,355)
Total Buildings	266,211	274,424
Russells Road Project		
Russells Road Project	302,182	201,222
Total Russells Road Project	302,182	201,222
Buildings - Fixture & Fittings	10,033	1,970
Buildings Fixture & Fittings Accum Depreciation	(907)	(23)
Total Land and Buildings	784,337	684,411
	2021	2020

4. Plant and Equipment, Motor Vehicles

Plant and Equipment		
Plant & Equipment at Cost		
Rehab Equipment	13,684	13,684
Office Equipment	31,999	17,229
Workshop Equipment	39,880	39,880
Total Plant & Equipment at Cost	85,564	70,793
Accumulated Depreciation of Plant and Equipment		
Less Accumulated Depreciation - Rehab Equipment	(12,693)	(11,561)
Less Accumulated Depreciation on Office Equipment	(12,550)	(4,785)
Less Accumulated Depreciation on Workshop equipment	(38,643)	(38,161)
Total Accumulated Depreciation of Plant and Equipment	(63,886)	(54,507)
Total Plant and Equipment	21,678	16,286

These notes should be read in conjunction with the attached compilation report.

	2021	2020
Motor Vehicles		
Motor Vehicles at Cost	65,264	63,332
Accumulated Depreciation of Motor Vehicles	(17,232)	(18,721)
Total Motor Vehicles	48,032	44,611
Total Plant and Equipment, Motor Vehicles	69,709	60,897
	2021	2020

5. Trade and Other Payables

Trade Payables		
Accounts Payable	10,986	3,811
Total Trade Payables	10,986	3,811
Other Payables		
PAYG Withholding Payable	6,949	13,137
Total Other Payables	6,949	13,137
Total Trade and Other Payables	17,935	16,948
	2021	2020

6. Employee Entitlements

Accrued Salaries	9,920	11,783
Provision for Annual Leave	36,968	17,248
Provision for Long Service Leave	24,145	12,376
Superannuation Payable	7,635	
Total Employee Entitlements	78,669	41,407

7. Subsequent Events

a. 120 Russells Road

It is expected entering a second Funding Agreement with the Commonwealth Government for \$1,330,466 and settlement on the purchase of the land at 120 Russells Road.

b. Covid-19

The Covid-19 Pandemic has had a significant impact on the operations of Foundation 61. The operation of the men's rehabilitation facility was scaled down during the early months of the pandemic allowing a Covid-19 plan to be developed and implemented. This allowed the facility to increase to full capacity with Covid-19 safe practices in place. As an essential service Foundation 61 has introduced mandatory vaccination for all staff, volunteers and residents. The financial position of Foundation 61 was supported during 2020-21 by eligibility for Jobkeeper payments.

The impact of Covid-19 Pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

These notes should be read in conjunction with the attached compilation report.

Movements in Equity

Foundation 61 Inc.

For the year ended 30 June 2021

	2021	2020
Retained Earnings		
Retained Earnings	1,055,572	718,320
Profit for the Period	189,002	337,252
Total Retained Earnings	1,244,574	1,055,572

STATEMENT OF CASH FLOWS

Foundation 61 Inc
For the Year Ended 30 June 2021

OPERATING ACTIVITIES

Net Income	189,002
Adjustments to reconcile Net Income To net cash provided by operations:	
Depreciation	30,654
Fringe Benefits Tax owed	1,440
GST owed	5,574
Accounts payable	7,175
Annual Leave Accrued	19,720
Client Petty Cash Payable	(4,081)
GST payable	346
Long Service Leave Accrued	11,770
PAYG Withholding Payable	(6,188)
Superannuation Payable	7,635
Accrued Salaries	(1,863)
Net cash provided by Operating Activities	261,184

INVESTING ACTIVITIES

Williams Road Assets: - Fixture & Fittings	(8,063)
Motor Vehicles	(15,250)
Williams Road: - Office Equipment	(14,770)
Russell Road Assets	(101,309)
Net cash provided by Investing Activities	(139,392)
Net Cash increase for Period	121,792
Cash at beginning of period	<u>360,894</u>
Cash at end of period	482,686

True and Fair Position

Foundation 61 Inc.

For the year ended 30 June 2021

Annual Statements Give True and Fair View of Financial Position and Performance of the Association

I, Brenda Lyons, being a member of the committee of Foundation 61, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of Foundation 61 during and at the end of the financial year of the association ending on 30 June 2021.

The Financial statements and notes are in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

At the date of this statement, there are reasonable grounds to believe that Foundation 61 Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management made pursuant with subsection 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulations 2013.

Signed:



Dated: 29 / 11 / 2021



BARKLEY

& ASSOCIATES PTY LTD

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDATION 61 INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Foundation 61 Inc. (the registered entity) which comprises the statement of financial position as at 30 June 2021, the statement of profit and 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 responsible entities' declaration.

In our opinion:

- a) The accompanying financial report of Foundation 61 Inc. has been prepared in accordance with Division 60 of 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, 2021 and of its financial performance for the year then ended: and
 - (ii) Complying with Australian Accounting Standards 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 registered entity in accordance with the ACNC Act, 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.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual 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 other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity'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.

Responsibilities of the Directors for the Financial Report

The directors of the registered 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 1 to the financial

Highton

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report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet 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 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 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 skepticism 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 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 company'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 company'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 company 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 representation.

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.

BARKLEY & ASSOCIATES PTY LTD



J.L. Barkley CA
136 Mountjoy Parade
Lorne Vic 3232

Dated this 29th day of November, 2021