



Eskleigh Foundation Incorporated

Financial Statements

For the Year Ended 30 June 2020

Eskleigh Foundation Incorporated

Financial Statements

For the Year Ended 30 June 2020

CONTENTS

Page

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Funds	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Independent Auditor's Report	23

Eskleigh Foundation Incorporated

Board of Management's Report

For the Year Ended 30 June 2020

The Board of Management present their report for Eskleigh Foundation Incorporated for the financial year ended 30 June 2020.

Review of Operations

The net profit for the year amounted to \$3,845,652 (2019: \$334,202).

Significant Changes in the State of Affairs

Following a number strategic planning meetings, the Board has developed a list of projects that require completion over the next 12 to 24 months, each of these projects are important to the long-term success of Eskleigh. These projects include a review of the future use of Eskleigh Home and the site at Perth.

Principal Activities

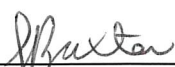
The principal activities of Eskleigh Foundation Incorporated are to provide a range of disability support services to Tasmanians. Our Service provides support for people with varying levels of physical and intellectual disability including spinal injury, Acquired Brain Injury, aneurysm and stroke.

Events Subsequent to the End of the Reporting Period


No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Eskleigh Foundation Incorporated.

Likely Developments and Expected Results of Operations

Eskleigh Foundation Incorporated will continue to pursue its strategic objectives to increase Eskleigh Foundations Incorporated's economic performance. This may entail a restructure of the current services supplied by the organisation. The board plans to continue to explore ways to increase profitability of the organisation and ensure its continued operation.



Les Baxter
Chair



Pal Singh
Treasurer

Dated this 10th day of October 2020

Eskleigh Foundation Incorporated


Certification by Board of Management

For the Year Ended 30 June 2020

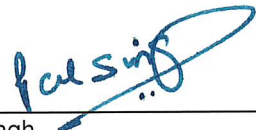
In the opinion of the Board of Eskleigh Foundation Incorporated:

- a) The financial statements as set out on pages 1 to 22 present a true and fair view of the financial position of Eskleigh Foundation Incorporated as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirement of the *Associations Incorporated Act (Tas) 1964*; and
- b) There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- c) The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profit Commission Act 2012*.

Signed in accordance with subsection 60-15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Les Baxter
Chair



Pal Singh
Treasurer


Dated this 10th day of October 2020

Eskleigh Foundation Incorporated

Board of Management

For the Year Ended 30 June 2020

Chairperson:	Mr Les Baxter	8 Clifton Place PROSPECT
Vice-Chairperson	Ms Angela Holzberger	9 Prince Regent Place HUNTINGFIELD
Treasurer:	Mr Pal Singh	2 Ivy Court MOUNT WAVERLEY, VIC
Public Officer:	Dr Fiona Joske	21 William Street LONGFORD
Board members:	Mr Timothy Whyte	313 John Lees Drive DILSTON
	Mr Peter Barnes	25 Beverley Hills Road NEWSTEAD
	Mrs Natalie Mayes	713 Hobart Road BREADALBANE
	Mr Murray Smallhorn	12 Roach Avenue ABERFELDIE, VIC
	Mr Lindsay Scott	169 Wellington Street LONGFORD



Nick Carter
WLF Accounting & Advisory
1st Floor, 160 Collins Street
HOBART TAS 7000

Sign this

10th day of October

2020

Eskleigh Foundation Incorporated

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
OPERATING REVENUE			
Fees		13,374,312	6,309,828
Government funding		3,598,226	4,068,938
Other operating revenue		273,492	85,704
Total operating revenue	3	<u>17,246,030</u>	<u>10,464,470</u>
OPERATING EXPENSES			
Employee benefits		11,302,017	8,536,583
Domestic		787,746	733,451
Property		669,944	700,029
Administration		557,005	498,194
Motor vehicles		221,245	235,254
Total operating expenses		<u>13,537,957</u>	<u>10,703,511</u>
Operating surplus/(deficit)	3	<u>3,708,073</u>	<u>(239,041)</u>
NON-OPERATING ITEMS			
Bequests and donations		120,155	542,593
Memberships		675	378
Interest	2	17,303	33,738
Gain/(loss) on share revaluation		-	(5,464)
Gain/(loss) on disposal of assets	2	(554)	1,998
Net non-operating items		<u>137,579</u>	<u>573,243</u>
Net surplus/(deficit) for the year		<u>3,845,652</u>	<u>334,202</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gains on revaluation of land and buildings		-	307,721
Gain on revaluation of art collection		-	48,889
Total other comprehensive income for the period		<u>-</u>	<u>356,610</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>3,845,652</u>	<u>690,812</u>

This statement should be read in conjunction with the accompanying notes

Esklegh Foundation Incorporated

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	6,813,291	1,582,711
Trade and other receivables	5	456,063	960,832
Prepayments		18,019	8,490
Financial assets	8a	861,018	364,535
Total current assets		8,148,391	2,916,568
Non-current assets			
Property, plant and equipment	6	7,041,812	7,295,961
Right-of-use assets	7	210,004	-
Financial assets	8b	485,606	463,699
Total non-current assets		7,737,422	7,759,660
TOTAL ASSETS		15,885,813	10,676,228
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,604,759	1,791,056
Lease liabilities	7	135,865	-
Provisions	10	1,026,284	786,202
Borrowings	11	1,005,228	-
Total current liabilities		3,772,136	2,577,258
Non-current liabilities			
Lease liabilities	7	74,656	-
Provisions	10	239,271	166,778
Total non-current liabilities		313,927	166,778
TOTAL LIABILITIES		4,086,063	2,744,036
NET ASSETS		11,799,750	7,932,192
EQUITY			
Accumulated funds		7,708,443	3,862,791
Reserves	13	4,091,307	4,069,401
TOTAL EQUITY		11,799,750	7,932,192

Eskleigh Foundation Incorporated

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Accumulated Funds \$	Asset Revaluation Reserve \$	Operating Reserve \$	Total \$
Balance as at 30 June 2018	3,528,589	2,080,359	1,632,432	7,241,380
Net surplus / (deficit) for year	334,202	-	-	334,202
Revaluation increment/(decrement) of property	-	307,721	-	307,721
Revaluation increment of artwork	-	48,889	-	48,889
Transfers				
Operating Reserve	-	-	-	-
Balance as at 30 June 2019	3,862,791	2,436,969	1,632,432	7,932,192
Net surplus / (deficit) for year	3,845,652	-	-	3,845,652
Revaluation increment/(decrement) of property	-	-	-	-
Revaluation increment of artwork	-	-	-	-
Revaluation increment of shares at market value	-	21,906	-	21,906
Transfers				
Operating Reserve	-	-	-	-
Balance as at 30 June 2020	7,708,443	2,458,875	1,632,432	11,799,750

Eskleigh Foundation Incorporated

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		14,273,403	6,984,432
Government funding received		3,598,226	4,068,938
Payments to suppliers and employees		(11,894,597)	(9,905,722)
Lease interest paid		(11,026)	-
Interest received		17,303	33,738
Net cash inflow from operating activities	12	<u>5,983,309</u>	<u>1,181,386</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		50	43,076
Purchase of property, plant and equipment		(72,167)	(386,252)
Proceeds from investment withdrawal		-	900,000
Payments for investments		(496,483)	(463,699)
Net cash outflow from investing activities		<u>(568,600)</u>	<u>93,125</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(184,129)	-
Net cash outflow from financing activities		<u>(184,129)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH HELD		5,230,580	1,274,511
CASH AT BEGINNING OF FINANCIAL YEAR		1,582,711	308,200
CASH AT END OF FINANCIAL YEAR	4	<u><u>6,813,291</u></u>	<u><u>1,582,711</u></u>

This statement should be read in conjunction with the accompanying notes

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Eskleigh Foundation Incorporated ("the Association") is an association incorporated under the *Associations Incorporation Act (Tasmania) 1964*. This financial report covers the Association as an individual entity.

The Association applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial report that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board, the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Associations Incorporations Act (Tasmania) 1964*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 29 September 2020 by the Board.

(a) Income tax

The Association has not adopted the principles of tax effect accounting as it has received notification of its exemption from income tax under section 50-45 of the Australian *Income Tax Assessment Act 1997*. The Association holds deductible gift recipient status.

(b) Revenue

Revenue from fees for services provided to clients is recognised upon billing of the service to the client. This generally occurs after the end of the relevant pay period when the number of hours of care provided to each client can be reliably determined. Government grants are recognised as revenue in the period in which control over the funding is obtained. Interest revenue is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets. Other revenue items, including donations, bequests and fundraising are recognised on receipt.

The Association has applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058. No adjustment to the opening balance of equity as at 1 July 2019 was required upon implementation of these standards. Comparative information has not been restated.

(c) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank and deposits at call.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments

Initial recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost, as they are managed solely to collect contractual cash flows and the contractual term within the financial asset give rise to cash flows that are solely payments of principal and interest on principal amount outstanding on specified dates.

Financial assets designated at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all risks and rewards of ownership are substantially transferred.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished, being when the contract is discharged, cancelled or expires.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

Recognition of expected credit losses

The Association recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of the 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 Association applies the simplified approach as applicable under AASB 9. The simplified approach does not require tracking changes in credit risk at every reporting period, but instead requires recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables.

No predictive past losses for future write-offs have been incurred.

(e) Employee entitlements

Liabilities for salaries, wages and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of the employees' service up to that date. A liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(f) Property, plant and equipment, and art collection

Land and buildings are measured at fair value, based on periodic but generally triennial valuations by an external independent valuer. Plant and equipment are measured using the cost basis and are depreciated over the expected useful life of each asset using the diminishing value basis. The art collection is measured at fair value and is depreciated over the expected life of each asset using the diminishing value basis, with an adjustment to fair value made periodically when valued by an external independent valuer.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 17, Fair Value Measurements.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The carrying amount of property, plant and equipment is reviewed annually by the board to ensure that it is not in excess of the recoverable amount of these assets. The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows from its continued use and subsequent disposal.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment, and art collection (continued)

Depreciation rates

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

Buildings	2.5%
Motor Vehicles	20%
Computer Equipment	10% - 40%
Other Equipment	7.5% - 30%
Structural Improvements	2.5% - 10%
Art Collection	10%

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

(g) Provisions

Provisions are recognised when the company 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.

(h) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(i) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- 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.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leased assets (continued)

The right-of-use assets is an initial measurement of the corresponding lease liability less any incentives and initial direct costs. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable).

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(j) Trade and other payables

Trade and other payables are stated at their amortised cost.

(k) Impairment

The carrying amounts of the Association's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

(l) 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 these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of 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 balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Initial application of AASB 16 Leases

The Association has adopted AASB 16 *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Association has recognised a lease liability and right-of-use asset for all leases (with the exception for short term and low value leases) recognised as operating leases under AASB 117 *Leases* where the Association is the lessee.

There has been no significant change from prior year treatment for leases where the Association is a lessor.

The lease liabilities are measured at the present value of the remaining lease payments. The Association's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for property, plant and equipment was measured at its carrying amount as if AASB 16 *Leases* had been applied since the commencement date, but discounted using the Association's weighted average incremental borrowing rate of 4.2% on 1 July 2019.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Association in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases.
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- applying AASB 16 to leases previously identified as leases under AASB 117 *Leases* and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) **New accounting standards for application in future periods**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been adopted by the Association. There are no standards that are not yet effective and would be expected to have a material impact on the Association in the current or future reporting periods and on foreseeable future transactions.

(o) **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) **Judgements and Assumptions**

In the application of Australian Accounting Standards, the Board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Board has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by the Board that have significant effects on the financial report are disclosed in the relevant notes as follows:

Employee entitlements

Assumptions are utilised in the determination of the Associations employee entitlement provisions. These assumptions are discussed in note 1(e).

Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of the Association's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 1(f).

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 OPERATING RESULT

Included in the operating surplus/deficit were the following specific items of revenue and expense:

	2020	2019
	\$	\$
NET GAINS/(LOSSES)		
Proceeds from disposal of fixed assets	50	39,091
Carrying value of assets disposed	<u>(604)</u>	<u>(37,093)</u>
	<u>(554)</u>	1,998
Expenses		
Depreciation		
Buildings	120,743	119,529
Plant and equipment	181,062	181,601
Motor vehicles	8,231	9,026
Art collection	<u>15,677</u>	<u>11,481</u>
	<u>325,713</u>	321,637
Auditors remuneration		
Auditing or reviewing the financial report	<u>11,900</u>	<u>14,265</u>
	<u>11,900</u>	14,265
Amortisation		
Equipment	7,251	11,619
Motor vehicles	171,720	175,988
Buildings	<u>5,675</u>	<u>55,959</u>
	<u>184,646</u>	243,566
Interest revenue		
Financial assets at amortised cost		
Interest	<u>17,303</u>	<u>33,738</u>

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 CONTRIBUTION

	OPERATING REVENUE		OPERATING SURPLUS/(DEFICIT)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Eskleigh Foundation	316	1,646	(57,834)	(82,465)
Administration	66,866	830	(1,633,482)	(1,492,641)
Eskleigh Home	11,872,997	6,297,170	3,825,677	1,272,474
Group Home - Longford	500,717	488,322	135,334	112,372
Group Home - Kings Meadows	390,014	326,412	22,613	(69,045)
Group Home - Montrose	825,215	560,580	330,925	31,415
Group Home - Carbeen	1,101,244	785,025	455,377	31,424
Esk Banks Group Home	545	8,965	(20,494)	(11,952)
Attendant Care - North	961,518	754,874	369,515	21,001
Attendant Care - N/West	940,655	588,060	207,587	28,857
Attendant Care - South	287,250	404,287	31,069	(43,925)
Day Support Centre South	298,693	248,299	41,786	(36,556)
Total contribution	17,246,030	10,464,470	3,708,073	(239,041)

	2020	2019
	\$	\$
4 CASH AND CASH EQUIVALENTS		
Cash on hand	4,151	2,050
Bank balances	6,809,140	1,580,661
	6,813,291	1,582,711

5 RECEIVABLES		
Trade receivables	369,708	967,662
Sundry debtors	12,500	-
Accrued fees	92,599	9,359
Accrued interest	1,256	3,811
Provision for impairment	(20,000)	(20,000)
	456,063	960,832

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
6 PROPERTY PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
At independent valuation	6,071,066	6,191,809
Total land and buildings	<u>6,071,066</u>	<u>6,191,809</u>
PLANT AND EQUIPMENT		
At cost	2,420,261	2,351,700
Less accumulated depreciation	<u>(1,691,207)</u>	<u>(1,513,148)</u>
Total plant and equipment	<u>729,054</u>	<u>838,552</u>
MOTOR VEHICLES		
At cost	116,528	116,528
Less accumulated depreciation	<u>(15,927)</u>	<u>(7,696)</u>
Total motor vehicles	<u>100,601</u>	<u>108,832</u>
ARTWORK COLLECTION		
At independent valuation	141,091	156,768
Total artwork collection	<u>141,091</u>	<u>156,768</u>
Total property, plant and equipment	<u><u>7,041,812</u></u>	<u><u>7,295,961</u></u>

In accordance with note 1(f), land and buildings are measured on the fair value basis. No revaluation occurred during the year ended 30 June 2020.

The independent valuations were carried out as at 30 June 2019 on the basis of a highest and best fair value of the properties. The independent property valuations were carried out by Mr J Hunt, Certified Practising Valuer, at 30 June 2019. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The independent art valuations were carried out by Ms A Wilcox, Australian Art Valuers, at 30 June 2019. The valuations resulted in a revaluation increment of \$356,610 being recognised in the Asset Revaluation Reserve for the year ended 30 June 2019.

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

2020
\$ 2019
\$

6 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

Movements in Carrying Amounts

	Land and Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Artwork Collection \$	Total \$
Opening balance	6,191,809	838,552	108,832	156,768	7,295,961
Additions	-	72,168	-	-	72,168
Disposals	-	(604)	-	-	(604)
Valuation	-	-	-	-	-
Depreciation	(120,743)	(181,062)	(8,231)	(15,677)	(325,713)
Carrying amount at the end of year	6,071,066	729,054	100,601	141,091	7,041,812

7 RIGHT-OF-USE ASSETS

Right of Use Assets

Right of use assets	394,650	-
Less accumulated depreciation	(184,646)	-
Total right of use assets	210,004	-

Movements in Carrying Amounts

Recognised on initial application of AASB 16 (i)	394,650	-
Addition to right of use asset	-	-
Depreciation expense	(184,646)	-
Net carrying amount	210,004	-

Lease Liabilities

Current	135,865	-
Non-current	74,656	-
Total lease liabilities	210,521	-

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
8 FINANCIAL ASSETS		
Current		
Financial assets at amortised cost	8a 861,018	364,535
	<u>861,018</u>	<u>364,535</u>
Non-Current		
Financial assets designated as at fair value through profit and loss	8b 485,606	463,699
	<u>485,606</u>	<u>463,699</u>
(a) Financial assets at amortised cost		
Investments in managed funds	861,018	364,535
(b) Financial assets designated as at fair value through profit and loss		
Listed Investments:		
- Shares in listed companies	485,606	463,699
9 PAYABLES		
Trade creditors	129,641	162,737
Sundry creditors and accruals	1,429,382	1,570,994
GST collected	<u>45,736</u>	<u>57,325</u>
	<u>1,604,759</u>	<u>1,791,056</u>

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
10 PROVISIONS		
Current		
Annual leave	923,654	596,011
Long service leave	<u>102,630</u>	<u>190,191</u>
	<u>1,026,284</u>	<u>786,202</u>
Non-Current		
Long service leave	<u>239,271</u>	<u>166,778</u>
Total provisions	<u>1,265,555</u>	<u>952,980</u>

	Employee Benefits \$	Total \$
Analysis of total provisions		
Opening balance at 1 July 2019	952,980	952,980
Additional provisions raised during the year	1,118,375	1,185,375
Amounts used	<u>(805,800)</u>	<u>(805,800)</u>
Balance at 30 June 2020	<u>1,265,555</u>	<u>1,265,555</u>

11 BORROWINGS

Current

NDIS loan	<u>1,005,228</u>	-
Total borrowings	<u>1,005,228</u>	-

12 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purpose of this Statement of Cash Flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash 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.

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
12 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)		
(b) Reconciliation of profit to net cash flows from operating activities		
Profit for the year	3,845,652	334,202
<i>Add/(less) non-cash items in profit</i>		
Depreciation and amortisation expense	510,359	321,637
(Gain)/loss on disposal of assets	554	(1,998)
(Gain)/loss on revaluation of shares	-	5,464
<i>Changes in assets and liabilities</i>		
Decrease/(Increase) in receivables	597,954	(880,517)
Decrease/(Increase) in accrued revenue	(93,185)	51,110
Decrease/(Increase) in prepayments	(9,531)	1,102
(Decrease)/Increase in payables and accruals	(186,297)	1,171,109
(Decrease)/Increase in NDIS loan	1,005,228	-
(Decrease)/Increase in employee provisions	312,575	179,277
Net cash from operating activities	<u>5,983,309</u>	<u>1,181,386</u>

Eskleigh Foundation Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 RESERVES

(a) *Asset Revaluation Reserve*

The asset revaluation reserve records unrealised revaluation increments or decrements on non-current assets. Where a previously revalued asset is disposed of, the amount in the asset revaluation reserve related to that asset is transferred back to the accumulated funds.

(b) *Operating Reserve*

Eskleigh Foundation Incorporated has developed and adopted a Financial Management Policy. The purpose of this policy is to ensure Eskleigh Foundation Incorporated keeps accurate financial records, submits annual reports, undertakes an annual audit and at all times is an organisation with sound financial probity. One aspect of the policy related to the creation of an Operating Reserve.

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or to eliminate an ongoing budget gap. Operating Reserves used are to be replenished as soon as that becomes feasible. The Operating Reserve Fund is defined as the designated fund set aside by action of the Board. It should contain an amount sufficient to continue its main operations measured for two (2) months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes.

The Operating Reserve fund will be funded with surplus, unrestricted, operating funds. The Board may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples could include one-time gifts or bequests, special grants, or special appeals.

14 MEMBERS GUARANTEE

Eskleigh Foundation Incorporated is incorporated under the *Associations Incorporations Act (Tasmania) 1964*. If it is wound up, the rules of the Association state that each member is required to contribute a maximum of \$10 each toward meeting any outstanding obligations of the Association.

At 30 June 2020, the number of financial members was 26 (2019: 30), including 8 (2019: 7) life members.

15 KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, is considered key management personnel.

	2020	2019
	\$	\$
Total remuneration paid to key management personnel during the year:		
- Total employee benefits	<u>553,387</u>	<u>414,476</u>

16 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons, unless otherwise stated.

During the year, no related parties provided services to Eskleigh Foundation Incorporated.

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 EVENTS AFTER THE REPORTING PERIOD

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies and restrictive measures put in place to contain it, as at the date of these financial statements, the Association is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Association. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in subsequent financial periods.

18 FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable, investments in listed shares, investments in managed funds and leases.

The totals for each category of financial instruments as measured in accordance with AASB 9, *financial instruments*, as detailed in the accounting policies to these financial instruments are as follows:

	Note	2020 \$	2019 \$
Carrying amounts classified as:			
<i>Financial assets at amortised cost</i>			
Cash and cash equivalents	4	6,813,291	1,582,711
Trade and other receivables	5	456,063	960,832
Investments in managed funds	8a	861,018	364,535
<i>Financial assets designated as at fair value through profit and loss</i>			
Shares in listed companies	8b	485,606	463,699
Total financial assets		8,615,98	3,371,778
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	9	1,604,759	1,791,056
Total financial liabilities		1,604,759	1,791,056

19 FAIR VALUE MEASUREMENTS

The Association measures and recognises the following assets at fair value on a recurring basis:

- Land and buildings
- Art collection
- Financial assets at fair value through profit and loss

The Association does not measure any liabilities at fair value on a recurring basis.

The totals for each category of financial instruments as measured in accordance with AASB 9 as detailed in the accounting policies to these financial instruments are as follows:

Notes to the Financial Statements

For the Year Ended 30 June 2020

19 FAIR VALUE MEASUREMENTS (CONTINUED)

(a) **Fair value hierarchy**

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Association. The table presents the Association's assets and liabilities measured and recognised at fair value at 30 June 2020.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

As at 30 June 2020:

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Financial assets					
Shares in listed companies	8b	485,606	-	-	485,606
Non -Financial assets					
Land and buildings	6	-	6,071,066	-	6,071,066
Art collection	6	-	141,091	-	141,091
		485,606	6,212,157	-	6,697,763

As at 30 June 2019:

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Recurring fair value measurements					
Financial assets					
Shares in listed companies	8b	463,699	-	-	463,699
Non -Financial assets					
Land and buildings	6	-	6,191,809	-	6,191,809
Art collection	6	-	156,768	-	156,768
		463,699	6,348,577	-	6,821,276

Transfers between levels of the hierarchy

The Association's policy is to recognise transfers in and out of the fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. No relevant transfers occurred during the 2020 financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2020

19 FAIR VALUE MEASUREMENTS (CONTINUED)

(b) **Highest and best use**

All assets valued at fair value in this note are being used for their highest and best use.

(c) **Valuation techniques and significant inputs used to derive fair values**

The Association has reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

(d) **Valuation processes**

The Association's valuation policies and procedures for land and buildings involve reviewing all asset values at the reporting date and ensuring the values are consistent with other available information. The primary source of information comes from the triennial valuations performed by an external independent valuer. No independent valuations were carried out during the financial year ended 30 June 2020.

The Association's valuation policies and procedures for art involve reviewing all asset values at the reporting date and ensuring the values are consistent with other available information. The primary source of information comes from the triennial valuations performed by an external independent valuer. No independent valuations were carried out during the financial year ended 30 June 2020.

Shares in listed companies are valued at the market rate as listed by the Australian Stock Exchange at 30th June 2020.

The Association also reviews asset holdings for other indicative evidence that may indicate a change in fair value. No evidence attained during the financial year suggested that the values used were inappropriate.

20 ECONOMIC DEPENDENCE

Eskleigh Foundation Incorporated is dependent upon continued funding from the National Disability Insurance Agency for the delivery of most of its services.

As at the date of this report, the Directors have no reason to believe ongoing financial support won't be provided by relevant funding bodies as services are transitioned in the coming years.

21 ASSOCIATION DETAILS

The registered office of the Association is:

Eskleigh Foundation Inc.
16087 Midland Highway
Perth TAS 7300

The principal place of business is:

Eskleigh Foundation Inc.
16087 Midland Highway
Perth TAS 7300

INDEPENDENT AUDITOR'S REPORT

Members of Eskleigh Foundation Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eskleigh Foundation Incorporated, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to and forming part of the financial statements, including a summary of significant accounting policies, and the certification by Board of Management .

In our opinion the financial report of Eskleigh Foundation Incorporated has been prepared in accordance with the *Associations Incorporation Act (Tas) 1964* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, the *Associations Incorporation Regulations 2007* 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 Association in accordance with the *Associations Incorporation Act (Tas) 1964*, *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 Association's financial reporting responsibilities under the *Associations Incorporation Act (Tas) 1964* and 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Responsibility of the Association's Board for the Financial Report

The Board of the Association is 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 report is appropriate to meet the requirements of the *Associations Incorporation Act 1964*, ACNC Act and the needs of the Association's constitution and are appropriate to meet the needs of members. The Board's responsibility also includes such internal control as the Board determine is necessary to enable the preparation of a 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 Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity 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 the financial report.

As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered 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 registered 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 those charged with governance 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.



NICK CARTER

Partner

Wise Lord & Ferguson

Date: 10/10/2020

Auditor's Independence Declaration to the Board of Management of Eskleigh Foundation Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of the auditor independence requirements of the *Corporation Act 2001* or any applicable code of professional conduct in relation to the audit of the abovementioned entities.



NICK CARTER

Partner

WLF Accounting & Advisory

10/10/2020