Safe Futures Foundation Inc.

ABN 19 275 051 972

Annual Report - 30 June 2020

Contents

Directors' report

30 June 2020

The directors present their report, together with the financial statements, on the entity for the year ended 30 June 2020.

Directors

The following persons were directors of the entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Doreen Stoves AM PSM JP - Chair
- Bernadette Dobeli – Deputy Chair
- Florence Mauwa – Treasurer
- Kerrie McMahon – Secretary
- Pradeepa Jayawardena York
- Raymond Burnett
- Maria Peterson – resigned 2nd December 2019
- Lee-Anne Hunt – resigned 5th June 2020
- Emily Ryder
- Karen Smith – joined 24th August 2020
- Kerryn McLean – joined 24th August 2020

Principal Activities

The principal activity is providing personalised responses to people experiencing or at risk of family violence as well as housing support services.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The operating surplus for the 2020 Financial Year amounted to $452,941 (2019 $834,145).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

On behalf of the directors

Doreen Stoves

Position: Chair

FMauwa

Position: Treasurer

Melbourne, 26th October 2020

Crowe

Auditor Independence Declaration under 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Members of Safe Futures Foundation Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

1) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

2) No contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Audit Australia

CROWE AUDIT AUSTRALIA

MALCOLM MATTHEWS

Audit Partner

Launceston
Date: 26 October 2020

Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Government Grant		3,723,287	3,247,822
Other Grants		214,245	389,321
Interest		45,551	26,675
Other Income		247,343	189,211
Total revenue		**4,230,426**	**3,853,029**
Expenses			
Audit fees		9,500	10,500
Depreciation expense		237,036	19,516
Utilities expense		113,296	109,433
Administration & other expenses		288,017	454,855
Property expenses		319,214	157,387
Project expenses		129,907	47,033
Salaries & Wages - superannuation		201,975	172,232
Salaries and Workcover		2,456,070	2,047,928
Interest Expenses - Leases		22,470	-
Total expenses		**3,777,485**	**3,018,884**
Surplus before income tax expense		**452,941**	**834,145**
Income tax expense		-	-
Surplus for the year		**452,941**	**834,145**
Total Comprehensive Income for the period		**452,941**	**834,145**

The above statement of comprehensive income should be read in conjunction with the accompanied notes

Statement of financial position

As at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	2	338,406	2,133,715
Accounts receivable and other debtors		17,394	2,577
Prepayments		38,503	26,661
Financial Assets	3	3,237,689	102,689
Total current assets		3,631,992	2,265,642
Non-current assets			
Property, plant and equipment	4	3,019,448	2,440,264
Total non-current assets		3,019,448	2,440,264
Total assets		6,651,440	4,705,906
Liabilities			
Current liabilities			
Accounts payable and other payables		284,573	283,630
Contract liabilities	6	1,946,083	923,081
Employee Benefits	5	155,412	124,235
Lease Liability		146,617	-
Total current liabilities		2,532,685	1,330,946
Non-current liabilities			
Employee Benefits	5	41,120	60,425
Lease Liability		310,159	-
Total non-current liabilities		351,279	60,425
Total liabilities		2,883,964	1,391,371
Net assets		**3,767,476**	**3,314,535**
Equity			
Retained surplus		1,937,476	1,159,535
Reserves		1,830,000	2,155,000
Total equity		**3,767,476**	**3,314,535**

The above statement of comprehensive income should be read in conjunction with the accompanied notes

Statement of changes in equity

For the year ended 30 June 2020

	Land & Building Revaluation Reserve	Property Reserve	Retained Surplus	Total
	$	$	$	$
Balance at 1 July 2018	1,295,000	-	650,390	1,945,390
Surplus/(deficit) after income tax expenses for the year	-	-	834,145	834,145
Transfer between Reserve Accounts	-	325,000	(325,000)	-
Other Comprehensive Income	535,000			535,000
Balance at 30 June 2019	**1,830,000**	**325,000**	**1,159,535**	**3,314,535**
Balance at 1 July 2019	1,830,000	325,000	1,159,535	3,314,535
Surplus/(deficit) after income tax expenses for the year	-	-	452,941	452,941
Transfer between Reserve Accounts		(325,000)	325,000	-
Balance at 30 June 2020	**1,830,000**	**-**	**1,937,476**	**3,767,476**

The above statement of comprehensive income should be read in conjunction with the accompanied notes

Statement of cash flows
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from government grants		5,193,059	4,001,760
Payments to suppliers, employees and others		(3,539,476)	(3,138,738)
Interest and other receipts		45,551	364,365
Interest paid		(22,470)	-
Net cash from operating activities		1,676,664	1,227,387
Cash flows from investing activities			
Payments for property, plant & equipment		(208,504)	(58,194)
Payment for term deposits		(3,135,000)	(102,689)
Proceeds from property, plant and equipment		-	13,241
Net cash used in investing activities		(3,343,504)	(147,642)
Cash flows from financing activities			
Lease principal payments		(128,469)	-
Net cash from financing activities		(128,469)	-
Net increase in cash held		(1,795,309)	1,079,745
Cash and cash equivalents at the beginning of the financial year		2,133,715	1,053,970
Cash and cash equivalents at the end of the financial year		**338,406**	**2,133,715**

The above statement of comprehensive income should be read in conjunction with the accompanied notes

Notes to the financial statements

For the year ended 30 June 2020

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012.

The group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these 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 accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair value of selected of 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 26th October 2020 by the Board of Directors

Note 1. Summary of Significant Accounting Policies

Parent entity information
These financial statements present the results of the consolidated entity only.

Principles of consolidation

The financial statements cover Safe Futures Foundation Inc. and its controlled entities ('the Group') Safe Future Foundation Inc. is a not-for-profit Association incorporated and domiciled in Victoria. Other entities of the Group are:

- Maroondah Half Way House Group

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Safe Futures Foundation Inc. (parent entity) as at 30 June 2020 and the results its subsidiary for the year then ended. Safe Futures Foundation and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

A subsidiary is an entity over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.
Inter-entity transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated.

New Accounting Standards and Interpretations

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.
The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company. The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The core principle of the standard is that a Company will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The standard will require contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk. The company has analysed customer contracts by way of going through performance obligations within the contract, determining the transaction price relevant to performance obligations by giving reference to AASB 15.48. Based on the assessment performed, the adoption of the Accounting Standard AASB 15 and Interpretations did not have any significant impact on the Statement of Profit or Loss and Other Comprehensive Income or Statement of Financial Position of the company.

Notes to the financial statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

AASB 1058 Income of Not for profit entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. This Standard establishes principles for not-for-profit entities that apply to: (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit Company to further its objectives; and (b) the receipt of volunteer services. The company shall apply the requirements of this Standard to each transaction based on the substance of the transaction, rather than its legal form or the description given to it (eg grants or donations), so as to provide a faithful representation of the economic substance of the transaction. The company has analysed transactions to determine whether there were any transactions which were significantly less than fair value. Principally, to enable a not-for-profit Company to further its objectives. Based on the assessment performed, the adoption of the Accounting Standard AASB 1058 and Interpretations did not have any significant impact on the Statement of Profit or Loss and Other Comprehensive Income or Statement of Financial Position of the company.

Impact of adoption
AASB 15 and 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

AASB 16 Leases

The entity has adopted AASB 16 from 1 July 2019. The standard replaces 'AASB 117' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right of- use assets and corresponding lease liabilities are recognised in the statement of financial position.
Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The entity adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019.

Impact of adoption
On transition to AASB 16, the Entity recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	1 July 2019 $
Buildings – right-of-use-assets	342,663
Photocopier – right-of-use-assets	36,855
Motor Vehicles – right-of-use-assets	228,198
Lease liability	557,716
Make good provision	50,000

Accounting policies

a) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Notes to the financial statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Grant Revenue

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable is recognised when received.

Donations and bequests

Donations and bequests are recognised at the time they are received.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

b) Income tax

As the entity 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.

c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected loss.

Notes to the financial statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

f) Property, plant and equipment

Land and buildings are shown at fair value less impairment for buildings. To support this value, the entity obtains valuations by external independent valuers such that all properties are covered on a rolling three year basis. There is no depreciation expense charged to land.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years
Building	40 years
ROU asset	3- 5 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

h) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

i) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

j) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the financial statements

For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

k) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

l) Financial Instruments

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

m) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans).

Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Notes to the financial statements
For the year ended 30 June 2020

Note 1. Significant accounting policies (continued)

Deferred Income
The liability for deferred income is recognised when performance obligations under the contract with customers are not satisfied.

n) Leases
As described in New accounting standards and interpretations note above, the Company has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is reported under AASB 117.

Accounting policy applicable from 1 July 2019
For any new contracts entered into on or after 1 July 2019, the entity considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key criteria:
- the contract contains an identified asset,
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, and
- the Company has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).
The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.
At the commencement date, the entity measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.
On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

Accounting policy applicable before 30 June 2019

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.
A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.
Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.
Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated Company will obtain ownership at the end of the lease term.
Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Notes to the financial statements

For the year ended 30 June 2020

	Note	2020 $	2019 $
Note 2. Cash and Cash equivalents			
Cash at banks		338,406	2,133,715
Total cash and cash equivalents		**338,406**	**2,133,715**
Note 3. Financial Assets			
Term deposits		3,237,689	102,689
Total Financial Assets - Current		**3,237,689**	**102,689**
Note 4. Property, Plant and Equipment			
Office Furniture & Equipment		137,200	35,094
Less: Accumulated Depreciation		(34,431)	(10,082)
Total Office Furniture & Equipment		102,769	25,012
Household Furniture & Equipment		98,431	47,398
Less: Accumulated Depreciation		(36,181)	(30,321)
Total Household Furniture & Equipment		62,250	17,077
Outdoor Equipment		55,649	43,182
Less: Accumulated Depreciation		(20,860)	(18,069)
Total Outdoor Equipment		34,789	25,113
Fitout		66,000	23,100
Less: Accumulated Depreciation		(12,224)	(38)
Total Fitout		53,776	23,062
Building at fair value		1,080,000	1,080,000
Less: Accumulated Depreciation		(27,000)	-
Total Building		1,053,000	1,800,000
Land at fair value		1,270,000	1,270,000
Right of Use at cost – Office		342,663	-
Less: Accumulated Depreciation		(70,896)	-
Total Right of Use at cost - Office		271,767	-
Right of Use at cost – Photocopier		36,855	-
Less: Accumulated Deprecation		(17,690)	-
Total Right of Use at cost – Photocopier		19,165	-
Right of Use at cost – Motor Vehicles		228,198	-
Less: Accumulated Depreciation		(76,266)	-
Total Right of Use at cost – Motor Vehicles		151,932	-
Total property, plant and equipment		**3,019,448**	**2,440,264**

Notes to the financial statements
For the year ended 30 June 2020

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office Furniture & Equipment $	Household Furniture & Equipment $	Outdoor Equipment $	Fitout $	Land $	Building $
Balance at 1 July 2019	25,012	17,077	25,113	23,062	1,270,000	1,080,000
Additions	102,086	51,032	12,466	42,920	-	-
Depreciation expense	(24,329)	(5,859)	(2,790)	(12,206)	-	(27,000)
Balance at 30 June 2020	102,769	62,250	34,789	53,776	1,270,000	1,053,000

	ROU Asset Buildings $	ROU Asset Photocopier $	ROU Asset Motor Vehicles $	Total $
Balance at 1 July 2019	-	-	-	2,440,264
Adoption of AASB 16	342,663	36,855	228,198	607,716
Additions	-	-	-	208,504
Depreciation expense	(70,896)	(17,690)	(76,266)	(237,036)
Balance at 30 June 2020	271,767	19,165	151,932	3,019,448

Valuations of land and buildings
The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued by the directors on 30 June 2019, based on independent market appraisal by a Certified Practising Valuer. The valuation was based on current prices for similar properties in the same location. The fair value hierarchy input level was assessed as Level 3, based on unobservable inputs.

Note 5. Employee Benefits

Current Liabilities		
Annual Leave	123,980	80,795
Provision for Long Service Leave – current	31,432	43,440
Total Current Liabilities	155,412	124,235
Non-current Liabilities		
Provision for Long Service Leave	41,120	60,425
Total Non-Current Liabilities	41,120	60,425
Total Employee Benefits	**196,532**	**184,660**

Notes to the financial statements
For the year ended 30 June 2020

Note 6. Contract Liabilities

	2020	2019
	$	$
Supported Accommodation Family Violence– Wyndham (i)	1,825,251	720,668
Other Funding from Department of Health & Human Services	54,784	149,069
Other Funding projects	66,048	53,344
	1,946,083	923,081

(i) During financial year ended 30 June 2020, the entity has received a total funding of $1,513,647 from the Department of Health & Human Services and incurred a total expense of $807,729 comprising of $345,884 for salaries, operational costs and establishment costs for the crisis accommodation based in Wyndham and $461,845 for management costs.

Note 7. Key Management Personnel Disclosures
Compensation
The aggregate compensation made to key management personnel of the entity is set out below:

	2020	2019
	$	$
Short Term Benefits	304,437	228,209
Termination Benefits	15,559	-
Long Term Benefits (including Annual Leave and Long Service Leave Accruals)	12,690	11,070
	332,686	239,279

Note 8. Contingent liabilities
Reference is made to the Deed of Acknowledgement release and variation date 3 November 2017 with the Department of Health and Human Services, where mortgages have been taken over the entity properties to ensure that the specific purposes of the grants are complied with. Estimate of the potential financial effect of contingent liabilities that may become payable pursuant to conditional grants received historically from the Office of Housing and/or Department of Health and Human Services is noted as follows.

	Conditional Grant/Mortgage
Refuge Accommodations	$870,755

The Mortgage period will expire on 31 March 2044 when the titles of the properties will be returned to Safe Futures Foundation Inc. and no contingent liabilities will exist.

Note 9. Events after the reporting period

With exception of the matters noted below, no matters or circumstances have arisen since the end of the financial year which significantly affect the operations, the results of those operations or the state of affairs of the company in the financial years subsequent to the financial year ended 30 June 2020.

Subsequent to balance date, the Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world including Australia and the community where the entity operates. This is considered a non-adjusting subsequent event as at 30 June 2020, however, this pandemic will likely have a financial impact for the entity in the 2020 financial year and potentially financial years beyond this date.

The scale, timing and duration of the potential impacts on the entity is unknown

Note 10: Related party transactions
There are no related transactions during the financial year 2020 (2019: nil)

Statement by Members of the Board of Directors
30 June 2020

In the directors' opinion:

1 the attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including;

   i. giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Regulation 2013*;

2 there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors

Doreen Stoves.

Position: Chair

Position: Treasurer

Melbourne, 26th October 2020

Crowe

Independent Auditor's Report to the Members of Safe Futures Foundation Inc.

Opinion

We have audited the financial report of Safe Futures Foundation Inc., which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board of directors.

In our opinion, the accompanying financial report of Safe Futures Foundation Inc. (the foundation) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the foundation '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 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 Foundation in accordance with the auditor independence requirements of the *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 confirm that the independence declaration required by the *Australian Charities and Not-For-Profits Commission Act 2012*, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Board for the Financial Report

The directors 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* (ACNC Act) and for such internal control as the directors 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 directors are responsible for assessing the foundation'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 directors either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

Crowe

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Safe Futures Foundation 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 Safe Futures Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

CROWE AUDIT AUSTRALIA

MALCOLM MATTHEWS
Partner
Launceston
Dated this 28th day of October 2020