



MISSION AUSTRALIA

CONSOLIDATED ANNUAL
FINANCIAL REPORT 2021

ABN 15 000 002 522

TOGETHER WE STAND

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Directors' Report

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The Directors present their report together with the consolidated financial statements of the Group comprising Mission Australia (the Company) and its controlled entities for the financial year ended 30 June 2021 and the auditor's report thereon.

1. Directors

The Directors of Mission Australia at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other Directorships
Mr Kenneth Dean BCom (Hons), FCPA, FAICD President and Chairman Independent Non-Executive Director	Ken was appointed President and Chairman of the Mission Australia Board on 23 November 2016 and has been a Director of Mission Australia since 1 June 2015. Ken is a Non-Executive Director of Reformed Theological College Limited and is chair of the Goodstart Syndicate. He has previously held directorships with Bluescope Steel Limited, Energy Australia Holdings Limited, Virgin Australia Holdings Ltd, Alcoa of Australia Limited, Santos Limited and Woodside Petroleum Limited. Ken was a Member of the ASIC Director Advisory Panel. He has over 40 years' experience in energy and manufacturing industries. Based in Melbourne, Ken is a member of the People Culture & Remuneration Committee and as Chair of the Mission Australia Board attends the Board Audit & Risk Committee and Service Impact Committee. Ken is a former member of the Housing Committee and is now a Director of Mission Australia Housing and Mission Australia Housing (Victoria).
Mr Ian Hammond BA (Hons), FCPA, FCA, FAICD Independent Non-Executive Director	Ian was appointed as a Director of Mission Australia on 1 February 2016. Ian is a Non-Executive Director of Suncorp Group Limited, Perpetual Limited, Venues NSW, Stadium Australia Club and a board member of several not-for-profit organisations including Chris O'Brien Lifehouse and Quiz Worx. Previously, he was a Partner of PricewaterhouseCoopers for 26 years and has held a range of senior management positions, including lead partner for several major financial institutions. Based in Sydney, Ian is Chair of the Board Audit & Risk Committee, and a member of the Service Impact Committee. Ian is a former member of the Housing Committee and is now a Director of Mission Australia Housing and Mission Australia Housing (Victoria).

Directors' Report

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

1. Directors (continued)

Name, qualifications and independence status	Experience, special responsibilities and other Directorships
Ms Evelyn Horton BEC, MSocSci (Econs), FAICD Independent Non-Executive Director	Evelyn was appointed as a Director of Mission Australia on 22 November 2011. Evelyn is the Tasmanian Superannuation Commissioner, Chair of the Glebe Administration Board, a Non-Executive Director of Anglican Community Services, and a Member of Diocesan Finance and Advisory Task Force. Based in Sydney, Evelyn is a member of the Board Audit & Risk Committee and the People Culture & Remuneration Committee.
Mark Hutchinson DBus, BCom Independent Non-Executive Director	Mark was appointed as a Director of Mission Australia on 3 March 2019. He is a Non-Executive Director of Bluescope Steel Limited and has extensive business and leadership experience at senior executive level. Mark has held various roles at General Electric (GE) over a 25-year career, most recently as President and Chief Executive Officer Europe, and earlier, China. His responsibilities included strengthening GE's operations and developing and executing a shared growth strategy for all GE businesses. Mark was formerly President of GE Capital Real Estate International. He previously held various financial services roles at Barclays Capital Asia Limited in Australia and Hong Kong. Mark brings a global perspective including direct operational experience in Asia. He also has extensive experience in companies which have used technology and digital to undertake transformational change. Mark is a member of the Service Impact Committee and the People Culture & Remuneration Committee.
Ms Jennifer Lambert BBus, MEc, CA, FAICD Independent Non-Executive Director	Jennifer was appointed as a Director of Mission Australia on 27 April 2005, Jennifer is a Non-Executive Director of Bluescope Steel Limited, NEXTDC Limited, the Sydney Church of England Grammar School Council and Chair of the Mosman Church of England Preparatory School. She is also a Member of the Reporting Committee of the Australian Institute of Company Directors. Based in Sydney, Jennifer was a member of the Board Audit & Risk Committee, the Service Impact Committee and the Housing Committee of Mission Australia. Jennifer retired as a Director with effect from 25 November 2020.

Directors' Report

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

1. Directors (continued)

Name, qualifications and independence status	Experience, special responsibilities and other Directorships
Mr Simon Miller MBA, MPA, BA, MAICD Independent Non-Executive Director	Simon was appointed as a Director of Mission Australia on 22 February 2017. Simon is Managing Director and Senior Partner of The Boston Consulting Group, an Independent Director of City to City Australia and a Councillor on the Council of Trinity Grammar School. He previously worked with the Commonwealth Government as First Assistant Secretary at the Department of Prime Minister and Cabinet and with the New South Wales Government including as Deputy Director-General of the Department of Water and Energy, Senior Adviser to the Premier, and Chief of Staff to the Treasurer. Prior to his time in Government, Simon worked with the Social Issues Committee of the Anglican Diocese of Sydney. Based in Sydney Simon is a former member of the Housing Committee and is now a Director and Chairman of Mission Australia Housing and Mission Australia Housing (Victoria).
Dr Robert Mitchell AM LLB, MPhil, GradDipTax, Grad DipTheol, MThSt, GradCertMin, PhD, FAICD Independent Non-Executive Director	Bob was appointed as a Director of Mission Australia on 27 February 2019. Bob is currently Chief Executive Officer of Anglican Overseas Aid and was previously a senior executive at World Vision Australia, serving in both strategic and operational roles. Bob is a solicitor by background, and was a partner at PwC for nearly 15 years. He is currently a director of Eastern Health and serves on the global board of ACT Alliance. Dr Mitchell Bob is a Council Member of University of Divinity. He has also served as a member of the Federal Attorney-General's International Pro Bono Advisory Group. Bob is an ordained Anglican minister. In the 2019 Australia Day Honours, he was made a Member of the Order of Australia (AM) for significant services to the community through charitable organisations and to the Anglican Church of Australia. Based in Melbourne, Bob is Chair of the Service Impact Committee and a member of the Board Audit & Risk Committee.

Directors' Report

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1. Directors (continued)

Name, qualifications and independence status	Experience, special responsibilities and other Directorships
Ms Debra Stirling BA, GAICD Independent Non-Executive Director	Debra was appointed as a Director of Mission Australia on 22 February 2017. Debra is a Non-Executive Director of MegaRail Pty Ltd, a member of the PNG Government Lae Technical Training Centre of Excellence Task Force, Victorian Government Resources Roundtable and the Council of Scotch College, Melbourne. She is a former Non-Executive Director of Vicinity Limited and former Chair of the Monash University Resources Advisory Board. Debra has previously served as a senior executive for over 25 years in Newcrest Mining, Rinker, CSR and Coles Myer, across industries including building & construction, retail, property, mining, financial services, agriculture and manufacturing. Based in Melbourne, Debra is Chair of the People Culture & Remuneration Committee and a member of the Service Impact Committee.
Ms Nancy Fox AM BA, JD Law, FAICD Independent Non-Executive Director	Nancy was appointed as a Director of Mission Australia on 24 February 2021. Nancy is a Non-Executive Director of Perpetual Ltd, ING Bank Australia Limited, Aspect Studio and Lawcover and the Chairman of the Perpetual Equity Investment Company. Nancy has also served on a number of not-for-profit companies including the Taronga Conservation Society, Australian Youth Orchestra and the Australian Theatre for Young People. Nancy started her executive life as a trial attorney but moved to finance early in her career. She spent over 25 years working predominantly in New York, Asia and Australia. Nancy has extensive experience in debt capital markets and infrastructure finance, working with Citibank, AIDC, ABN AMRO and Ambac where she has led a number of significant and ground-breaking transactions in the Australian and offshore bond markets. In the 2021 Queen's Birthday Honours Nancy was made a member of the Order of Australia (AM) for significant service to the financial and banking sector, and to women in business. Nancy is a Fellow of the Australian Institute of Company Directors (AIDC) and a member of Chief Executive Women. Based in Sydney, Nancy is now a member of the Board Audit & Risk Committee.

Directors' Report

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2. Company Secretary

Ms Sally Ascroft was appointed to the position of Company Secretary on 31 October 2014. She is also General Counsel of Mission Australia.

3. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Board Meetings		Board Audit and Risk Committee Meetings		People, Culture & Remuneration Committee Meetings		Service Impact Committee Meetings		Housing Committee Meetings	
	A	B	A	B	A	B	A	B	A	B
Kenneth Dean	13	13	4^	4	4	4	2^	3	5	5
Ian Hammond	13	13	4	4	-	-	2*	3	5	5
Evelyn Horton	13	13	4	4	4	4	-	-	-	-
Mark Hutchinson	10	10	-	-	1*	4	2*	3	-	-
Jennifer Lambert	5	5	1	1	-	-	2	2	3*	5
Simon Miller	13	13	-	-	-	-	-	-	5	5
Dr Robert Mitchell AM	12	12	3*	4	-	-	2*	3	-	-
Debra Stirling	12	12	-	-	4	4	3	3	-	-
Nancy Fox AM	4*	5	-	-	-	-	-	-	-	-

A - Number of meetings attended

B - Number of meetings held during the time the Director eligible to attend

^Attended by invitation *Approved Apology

4. Corporate governance

Mission Australia is committed to proper and effective corporate governance arrangements. As a registered charity regulated by the Australian Charities and Not-for-profit Commission (ACNC), Mission Australia applies the ACNC Governance Standards and in applying them is guided by the Not-for-Profit Governance Principles established by Australian Institute of Company Directors.

The Mission Australia Board has overall responsibility for the financial performance of the Mission Australia Group and the achievement of its founding purpose. The Mission Australia Board recognises its role in overseeing the determination and implementation of policies and processes that reflect good corporate governance aligned with the ACNC Governance Standards, its contractual commitments and stakeholder expectations that together with our Values inform and guide the organisation.

Mission Australia's full Corporate Governance Statement is available on the Mission Australia website at Our Governance www.missionaustralia.com.au.

5. Principal activities and objectives

In pursuit of its founding purpose, the principal activities of Mission Australia during the financial year were to meet human need and spread the knowledge and the love of God through actions and deeds. Mission Australia assists people in need, regardless of their beliefs, through activities such as accommodation provision, family support services, aged care, and youth and employment services. No significant changes in the nature of these activities occurred during the year.

Directors' Report

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

6. Operating and financial review

6.1 Overview of the Group

Reference in this financial report to the Group relates to the consolidated results of Mission Australia and its controlled entities including Mission Australia Housing, Mission Australia Housing (Victoria), Mission Australia Housing Tasmania, Mission Australia Housing Partnership Limited and Sir David Martin Foundation.

6.2 Review of operations and results

The Group reported an underlying operating surplus of \$12.9 million (2020: \$9.4 million) which is analysed further below by segment of the Group's operations.

	Community Services	Housing Services	Family & Children Services	Fundraising	Other	Total
2021						
<i>In thousands of AUD</i>						
Operating revenue	200,796	35,544	41,713	-	25	278,078
Fundraising revenue	-	-	-	26,624	-	26,624
Underlying Operational Revenues	200,796	35,544	41,713	26,624	25	304,702
Capital and housing grants	-	3,061	-	-	6,504	9,565
JobKeeper revenue	-	-	-	-	15,909	15,909
Segment revenues	200,796	38,605	41,713	26,624	22,438	330,176
Underlying Segment surplus / (deficit)	3,997	424	5,573	15,961	(13,028)	12,927
Net Jobkeeper income	-	635	-	-	14,317	14,952
Net investing and finance income	10,664	68	-	1,150	-	11,882
Capital and housing grants	-	3,061	-	-	6,504	9,565
Changes in fair value of investment properties	-	6,399	-	-	-	6,399
Reportable segment surplus / (deficit)	14,661	10,587	5,573	17,111	7,793	55,725
2020 (restated *)						
Operating revenue	202,160	33,388	38,671	-	428	274,647
Fundraising revenue	-	-	-	25,451	-	25,451
Discontinued operations	-	-	5,837	-	-	5,837
Other	576	246	-	-	-	822
Underlying Operational Revenues	202,736	33,634	44,509	25,451	428	306,757
Capital and housing grants	-	3,120	-	-	1,059	4,178
JobKeeper revenue	-	-	-	-	17,279	17,279
Segment revenues	202,736	36,753	44,509	25,451	18,765	328,214
Underlying Segment surplus / (deficit)	4,799	1,052	4,114	13,590	(14,135)	9,420
Net Jobkeeper income	-	638	-	-	15,014	15,652
Net investing and finance income	(106)	(1,191)	-	(242)	61	(1,478)
Capital and housing grants	-	3,120	-	-	1,059	4,178
Result from discontinued operation	-	-	(909)	-	4,848	3,939
Changes in fair value of investment properties	-	(11,787)	-	-	(115)	(11,902)
Reportable segment surplus / (deficit)	4,693	(8,168)	3,205	13,348	6,732	19,809

* As a result of an IFRS Interpretation Committee agenda decision the Group has changed its accounting policy for software as a service (SAAS) arrangements (refer Note 25)

Directors' Report

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

6. Operating and financial review (continued)

6.2 Review of operations and results (continued)

The scale of services delivered by the Group are broadly similar to the previous financial year with a small decline in overall operational revenues.

The underlying operating surplus has increased slightly over prior year and represent 4% of operational revenues (2020: 3%). The increase is partly from reduced expenditure as a consequence of responses to the COVID-19 pandemic where strategic and operational activities have continued to be deferred or reduced. While cost reduction responses have increased the operational results, several services have experienced significant limitations on their delivery capacity from restrictions imposed in response to the pandemic. All services have had to change their mode of operation in some way to accommodate greater social and physical distancing between both clients and staff.

Fundraising remains challenging following the impact of COVID-19. Expenditure on campaigns, donor acquisition and marketing has continued to have a positive impact on the current year financial result; however, risks to future income are elevated by the limitations on supporter engagement and on campaigns to attract and retain new supporters.

The net surplus for the year of \$55.7 million (2020: \$19.8 million) includes a contribution from JobKeeper income in each financial year. The most significant increases in the net surplus compared with the prior year result are gains from investments (loss in 2020) and a gain from the increase in the fair value of social and affordable housing properties (loss in 2020).

The Group was eligible for, and received, payments between March 2020 and September 2020 under the first phase of the Commonwealth Government's JobKeeper program, which provided a wage subsidy to extend employment and wages to staff who would otherwise have seen their employment reduced or ended.

The Covid-19 pandemic continues to have direct and indirect financial impacts beyond the period over which JobKeeper payments were made. To the extent that payments received were not spent in the financial year for the purpose intended, they will be utilised to mitigate ongoing negative impacts in ways consistent with the JobKeeper program objectives of maintaining employment opportunities for staff.

6.3 Significant changes in the state of affairs

In June 2021, a controlled entity Mission Australia Housing Partnership Limited (MAHPL) entered into contracts to purchase a property containing 130 residential units at Macquarie Park, Sydney. Simultaneously, MAHPL entered into a \$67.9 million loan facility with National Housing Finance and Investment Corporation (NHFIC) to finance the purchase. At 30 June 2021, the proceeds from new NHFIC facility were held in bank accounts which will be restricted until released progressively to fund the property purchase.

The COVID-19 pandemic has required changes to the operation of services and support functions across the Group. The impact on individual services and functions is varied and not necessarily uniform across the Group.

7. Events subsequent to reporting date

The financial impacts arising from COVID-19, directly and indirectly, are expected to continue in future. The Directors acknowledge that there exists uncertainty over the impacts given the changes that may arise in the course of the pandemic and subsequent responses by Governments.

In the opinion of the Directors, there are no other likely known changes in the operations of the Group that will adversely or significantly affect the results of the Group in subsequent financial years.

Directors' Report

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8. Likely developments

Mission Australia Housing is in a consortium with Frasers Property Group to develop a new mixed tenure community in Sydney's Macquarie Park, which will ultimately deliver 950 new social housing dwellings over a 10-year period with the first social housing and services expected to be active in FY2022. In addition to the social housing, the development includes the acquisition by MAHPL of 130 residential units to be rented to tenants largely as affordable housing.

Mission Australia Housing Tasmania (MAHT) was established in 2021 to manage the Group's social and affordable housing operations in Tasmania. From November 2021, MAHT's contract with the Tasmanian Government under its Community Housing Growth Program will increase the social and affordable housing managed by the Group in Tasmania to over 1200 dwellings.

The Directors are cognisant that, because of the COVID-19 pandemic, uncertainty remains over the future of services currently operated by the Group. The impact on individual services is likely to vary according to changes by Commonwealth and State Governments in response to the COVID-19 pandemic and services commissioned by those governments. Risks to service delivery and expenditure are identified; however, forecasts of financial impact are not able to be made with reasonable certainty.

9. Directors' interests

The Directors had no material interests in contracts or proposed contracts with the Group during the course of the financial year. If Mission Australia enters into contracts with organisations where Directors may have an interest in that organisation, those contracts are entered into on normal commercial terms or terms that are more favourable to Mission Australia. The Directors had no material interests in contracts or proposed contracts with the Group during the course of the financial year other than as noted below.

10. Indemnification and insurance of officers and Directors

As Mission Australia is a company limited by guarantee, none of the Directors has any interest in the profit and assets of Mission Australia but each, as a member, is liable to contribute an amount not exceeding 10 cents. Mission Australia pays premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their decisions in the capacity of Director.

To the extent permitted by law, Mission Australia indemnifies every person who is or has been a Director or officer against any liability to any person incurred while acting in that capacity in good faith and against costs and expenses incurred by that person in that capacity in defending legal proceedings and ancillary matters. Mission Australia operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Mission Australia has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Directors and Officers of Mission Australia. The insurance is in the normal course of business and grants indemnity for liabilities permitted to be indemnified by Mission Australia under Section 199 of the *Corporations Act 2001*. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

11. Performance measurements

The Group monitors its performance against budget and a rolling forecast. The budget is approved by the Board of Directors prior to commencement of the financial year. Financial results are presented to the Board of Directors by senior management of the Group. The Board uses this information for future planning, tracking progress over time and determining whether agreed objectives or standards have been met.

The Board reviews performance based on business segments, which are identified by the type of services being provided.

Directors' Report

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

12. Auditor's independence declaration

The Auditor's Independence Declaration is set out on page 12 and forms part of the Directors' Report for the financial year ended 30 June 2021.

13. Registered office

The registered office and principal place of business is Level 7, 580 George Street, Sydney, New South Wales 2000.

14. Founder

In 1862 Benjamin Short founded the Sydney City Mission - the antecedent organisation of Mission Australia. It came into being three years after the Town and Country Mission (later to be known as the Brisbane City Mission) was established in Queensland. In the decades that followed many more missions were set up to proclaim the gospel of Jesus Christ and to care for the poor. In 1997 many of them officially came together as Mission Australia, a single, unified, non-denominational Christian organisation with an integrated approach to meeting Australia's social needs.

15. Founding Purpose

Inspired by Jesus Christ, Mission Australia exists to meet human need and to spread the knowledge of the love of God without reference to denomination or other distinction.

16. Rounding off

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

17. Notice of meeting

The Annual General Meeting of Mission Australia will be held on 22 November 2021 at Level 7, 580 George Street, Sydney NSW 2000, where this report will be presented.

This report is made in accordance with a resolution of the Directors:



Kenneth Dean

President and Chairman

Sydney, 27 September 2021



Ian Hammond

Chairman, Board Audit and Risk Committee

Sydney, 27 September 2021



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Mission Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Stephen Isaac

Partner

Sydney

27 September 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

For the year ended 30 June 2021

In thousands of AUD

	Note	2021	2020
			<i>Restated*</i>
Revenue from rendering services	3	241,928	245,704
Revenue from rental	3	35,544	33,400
Revenue from sale of goods	3	581	1,482
Revenue from fundraising	3	26,624	25,451
Revenue from capital and housing grants	3	9,565	4,178
Other revenue	3	15,934	17,999
Total revenue for the year		330,176	328,214
Change in fair value of investment properties	3	6,399	(11,902)
Personnel expenses	20	(190,807)	(193,040)
Occupancy and accommodation expenses		(28,640)	(23,538)
Transport and equipment hire expenses		(3,822)	(5,487)
Communication expenses		(11,048)	(11,869)
Client expenses		(9,909)	(8,218)
Depreciation and amortisation expense	6	(13,965)	(15,763)
Software development expenses		(2,656)	(5,290)
Subcontractor expenses		(13,246)	(14,176)
Other expenses		(16,308)	(19,132)
Total expenses for the year		(290,401)	(296,513)
Results from operating activities for continuing operations		46,174	19,799
Discontinued Operations			
Results from discontinued operations		-	3,939
Results from operating activities		46,174	23,738
Investment income		12,149	1,692
Finance costs		(2,598)	(5,621)
Net finance income	15	9,551	(3,929)
Net surplus for the year		55,725	19,809
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges reclassified to profit or loss		-	193
Other comprehensive income for the year		-	193
Total comprehensive income for the year		55,725	20,002

* As a result of an IFRS Interpretation Committee agenda decision the Group has changed its accounting policy for software as a service (SAAS) arrangements (refer Note 25)

Consolidated Statement of Financial Position

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

As at 30 June 2021

In thousands of AUD

	Note	2021	2020
Assets			Restated*
Cash and cash equivalents	14	17,402	47,647
Restricted cash	14	67,662	-
Trade and other receivables and contract assets	9	9,214	16,600
Investments	10	198,976	117,894
Prepayments and other assets		5,473	5,203
Total current assets		298,727	187,344
Trade and other receivables and contract assets	9	3,366	3,366
Investments	10	1,540	1,760
Investment property	5,7	429,329	415,388
Property, plant and equipment	6	100,846	103,185
Prepayments and other assets		3,000	-
Total non-current assets		538,081	523,699
Total assets		836,808	711,043
Liabilities			
Trade and other payables		31,742	26,713
Provisions	12	4,618	3,037
Lease liabilities	7	6,587	8,996
Employee benefits		15,937	14,665
Contract liabilities	16	23,766	22,797
Total current liabilities		82,650	76,208
Provisions	12	928	1,236
Loans and borrowings	11	132,035	64,316
Lease liabilities	7	15,773	17,930
Employee benefits		3,021	2,825
Contract liabilities	16	-	1,852
Total non-current liabilities		151,757	88,159
Total liabilities		234,407	164,367
Net assets		602,401	546,676
Equity			
Accumulated surplus		209,469	163,676
Restricted accumulated surplus	13	392,932	383,000
Total equity		602,401	546,676

* As a result of an IFRS Interpretation Committee agenda decision the Group has changed its accounting policy for software as a service (SAAS) arrangements (refer Note 25)

Consolidated Statement of Changes in Equity

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For the year ended 30 June 2021

In thousands of AUD

	Note	Cash flow Hedge Reserve	Accumulated Surplus	Restricted Accumulated Surplus	Total Equity
Balance at 1 July 2019		(360)	152,130	380,959	532,729
Transition impact of AASB 1058 Income of NFP entities at 1 July 2019		-	(3,280)	-	(3,280)
Transition impact of Software-as-a-Service at 1 July 2019 *		-	(2,775)	-	(2,775)
Restated balance at 1 July 2019		(360)	146,075	380,959	526,674
Total comprehensive income for the year					
Surplus		-	25,081	(5,272)	19,809
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedging reserve		360	-	(167)	193
Transfer to restricted surplus allocation		-	(7,480)	7,480	-
Total comprehensive income for the year		360	17,601	2,041	20,002
Balance at 30 June 2020		-	163,676	383,000	546,676
Balance at 1 July 2020		-	163,676	383,000	546,676
Total comprehensive income for the year					
Surplus		-	54,529	1,196	55,725
Other comprehensive income					
Transfer to restricted surplus allocation		-	(8,736)	8,736	-
Total comprehensive income for the year		-	45,793	9,932	55,725
Balance at 30 June 2021	13	-	209,469	392,932	602,401

* As a result of an IFRS Interpretation Committee agenda decision the Group has changed its accounting policy for software as a service (SAAS) arrangements (refer Note 25)

Consolidated Statement of Cash Flows

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

For the year ended 30 June 2021

In thousands of AUD

	Note	2021	2020
Cash flows from operating activities			Restated*
Cash receipts from customers		329,909	320,810
Cash paid to suppliers and employees		(269,679)	(280,096)
Cash generated from operations		60,230	40,714
Interest received	15	846	1,301
Interest paid		(2,331)	(2,480)
Net cash from operating activities		58,745	39,535
Cash flows from investing activities			
Proceeds from dividend	15	19	391
Payments for fixed assets and investment properties		(11,833)	(7,836)
Proceeds from sale of fixed assets and investment properties		625	222
Payments for investments		(64,399)	(19,857)
Net cash (used in) investing activities		(75,588)	(27,080)
Cash flows from financing activities			
Payment of lease liabilities	7	(13,402)	(13,504)
Payments of bank borrowings	11	-	(38,307)
Proceeds from borrowings	11	67,662	74,386
Payment to restricted cash balance		(67,662)	-
Net cash (used in) / from financing activities		(13,402)	22,575
Net decrease in cash and cash equivalents		(30,245)	35,030
Cash and cash equivalents at 1 July		47,647	12,617
Restricted cash balance		67,662	-
Cash and cash equivalents at 30 June	14	85,064	47,647

* As a result of an IFRS Interpretation Committee agenda decision the Group has changed its accounting policy for software as a service (SAAS) arrangements (refer Note 25)

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

About this report

1. Reporting entity

Mission Australia (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 7, 580 George Street, Sydney, NSW 2000 Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company and its controlled entities (together referred to as "the Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

As a not for profit Group these consolidated financial statements are Tier 2 general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board Australian Charities and Not-for-profits Commission Act 2012.

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value; and
- Investment properties are measured at fair value.

The financial report has been prepared on a going concern basis.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

Our key numbers and fundraising

Mission Australia continues to receive generous financial support from a broad cross section of Australian society.

3. Revenue

In thousands of AUD

Revenue recognised under AASB15 Revenue from Contracts with Customers

Revenue from rendering services

Revenue from sale of goods

Revenue recognised under AASB 1058 Income of NFP entities

Revenue from fundraising

Revenue from capital and housing grants

JobKeeper subsidy

Revenue recognised under AASB 16 Leases

Revenue from rental

Other Revenue

Other miscellaneous revenue

Total revenue for the year

Change in fair value of investment properties

	2021	2020
Revenue from rendering services	241,928	245,704
Revenue from sale of goods	581	1,482
Revenue from fundraising	26,624	25,451
Revenue from capital and housing grants	9,565	4,178
JobKeeper subsidy	15,909	17,279
Revenue from rental	35,544	33,400
Other miscellaneous revenue	25	720
Total revenue for the year	330,176	328,214
Change in fair value of investment properties	6,399	(11,902)

Accounting Policy

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount, which reflects the expected consideration.

The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group has any significant financing terms, as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue from rendering services

Grant revenue arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. This is generally the case for the monies received for providing services under grant funding agreements.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognition based on cost incurred which best reflects the transfer of control.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

3. Revenue (Continued)

Accounting Policy (Continued)

Fee for service

Current fee for service revenue recognition varies across the funded programs depending on the performance obligation. The Group recognises revenue in line with the delivery of services.

Revenue from sale of goods

Revenue from sales of goods comprises sale of goods and food. Revenue is recognised when the control of goods passes to the customer, which is at the time that the goods are physically transferred.

None of the items sold have any warranty attached to them.

Revenue from rental grants

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Group at significantly below its fair value.

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale are recognised as revenue when the Group gains control of the assets.

Volunteer

The Group does not currently recognise any income for volunteer services as allowed by AASB 1058.

Revenue from capital and housing grants

Capital grants received under an enforceable agreement to enable the Group to acquire or

construct an item of property, plant and equipment to identified specifications which will be controlled by the Group (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Group.

JobKeeper subsidy

In response to the economic impacts on Australian employers of the Covid-19 pandemic, from 30 March 2020 the federal Government introduced the JobKeeper program, which broadly comprised a temporary subsidy to help businesses keep staff employed. From 30 March 2020 to 27 September 2020 the Group received the subsidy of \$1500 per fortnight per eligible employee.

Revenue recognition policy for revenue from rental services (AASB16)

Revenue from lease rental

Future contractual rental payments from tenants are recognised as receivables over the lease term as the payments become receivable.

Lease income from operating leases is recognised by the Group in income on a straight-line basis from the commencement date over the lease term.

Other Income

Change in Fair Value of Investment Properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

4. Fundraising information

As required by the *Charitable Fundraising Act (NSW) 1991* and regulations (similar but not identical provisions exist in Queensland, Western Australia and South Australia Fundraising Acts).

Various fundraising activities were conducted during the year including appeals, regular giving, major gifts and corporate partnerships.

Fundraising appeals conducted during the year

In thousands of AUD

Results of fundraising appeals

	2021	2020
(a) Gross proceeds from fundraising appeals	26,624	25,451
Less: direct costs of fundraising appeals	(3,452)	(3,329)
Net surplus obtained from fundraising appeals	23,172	22,122
(b) The proceeds of fundraising are primarily applied to support Community Service Programs that are considered important in pursuing the founding purpose and strategic goals of Mission Australia	195,841	202,806

Gross proceeds from fundraising appeals for 2021 includes bequests of \$11.4 million (2020: \$9.2 million).

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

Our assets platform

This section provides information relating to the operating assets and liabilities of the Group. Mission Australia is committed to long term financial sustainability and growth.

5. Investment property

<i>In thousands of AUD</i>	<i>SHGF</i>	<i>NBESP</i>	<i>Common Ground</i>	<i>Other owned & leased properties</i>	<i>Total</i>
Fair value					
Balance at 1 July 2019	42,393	301,070	37,830	36,853	418,146
Purchased and capital expenditure	-	-	-	8,822	8,822
Recognition of net right-of-use assets	-	-	-	472	472
Received as stock transfer	-	-	-	2,700	2,700
Disposal	-	-	-	(2,815)	(2,815)
Change in fair value	(403)	(11,639)	(950)	1,055	(11,937)
Balance at 30 June 2020	41,990	289,431	36,880	47,087	415,388
Balance at 1 July 2020	41,990	289,431	36,880	47,087	415,388
Purchased and capital expenditure	-	-	-	7,998	7,998
Received as stock transfer	-	-	-	1,253	1,253
Disposal	-	-	-	(1,710)	(1,710)
Change in fair value	(28)	(552)	(1,615)	8,595	6,399
Balance at 30 June 2021	41,962	288,879	35,265	63,223	429,329

5.1 Social Housing Growth Fund grant (SHGF)

Mission Australia Housing received grants in the past from the New South Wales Land and Housing Corporation to purchase properties that could be affordably rented by people in need. One of the grant conditions provided that Mission Australia Housing secured finance, by using the properties as security for a loan facility, which was achieved in 2011.

5.2 Nation Building Economic Stimulus Plan (NBESP)

In 2011, Mission Australia Housing assumed ownership of 68 property sites containing 1,055 dwelling units from Housing NSW. The properties are

governed by NSW Nation Building Economic Stimulus Plan (NBESP), a Social Housing Initiative.

5.3 Common Ground

In 2014, Mission Australia Housing became the owner of 104 units at 31 Pyrmont Bridge Road, Camperdown that are part of the Camperdown Common Ground Project.

5.4 Other owned & leased Properties

Mission Australia other owned and leased properties include investment properties owned by Mission Australia and Mission Australia Housing.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

5. Investment property (continued)

5.4 Other owned & leased Properties (continued)

5.4.1 Social Housing Management Transfer program (SHMT)

In July 2019 Mission Australia Housing commenced operation of the Coffs Harbour / Bellingen package under the NSW Government Social Housing Management Transfer Program.

The transfer resulted in the management of over 1,050 social housing dwellings for a 20-year term. Right to use assets includes 38 Mission Australia Housing head leases. These 'head leases' are properties leased from private landlords at commercial rates and then leased to tenants in accordance with the requirements of the agreement.

5.4.2 Peppercorn leases

The Group holds a number of peppercorn lease contracts or premises provided for nil or below market consideration. The Group adopted the option not to apply the fair value initial measurement requirement to Right-of-use assets as permitted by AASB 2018-8 until further guidance is developed. This adoption was taken due to the small size of many of the locations and, also, difficulties in obtaining valuations for specific premises being provided to achieve the purpose of the Group.

Security

At 30 June 2021, 46 investment properties with a carrying amount of \$231.4 million; (2020: \$225.80 million) are subject to a mortgage to secure National Housing Finance and Investment Corporation (NHFIC) loans.

Accounting Policy

Recognition and measurement

Investment property, including both owned property and right of use assets, is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

Valuation methodology

Independent valuations are obtained for each investment property at least once every three years. Investment properties in Mission Australia Housing are used for rental purposes to provide social and affordable housing.

In accordance with AASB 13 Fair Value Measurement, the Group has determined the highest and best use for the properties in Mission Australia Housing to be residential dwellings.

Notes to the Consolidated Financial Statements

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6. Property, plant and equipment

	<i>Land and buildings</i>	<i>Leasehold Improvement</i>	<i>Plant and Equipment</i>	<i>IT Assets</i>	<i>Total</i>
<i>In thousands of AUD</i>					
Carrying amount as at 1 July 2019	76,049	3,531	1,327	1,561	82,468
Recognition of Right-of-use asset on initial application of AASB16	23,652	-	6,826	-	30,478
Additions	5,718	265	1,057	652	7,692
Disposals	(2,061)	-	(131)	-	(2,192)
Depreciation	(9,446)	(1,167)	(3,834)	(814)	(15,261)
Balance at 30 June 2020	93,912	2,629	5,245	1,399	103,185
Assets cost	111,551	12,689	14,093	7,676	146,009
Accumulated depreciation	(17,639)	(10,060)	(8,848)	(6,277)	(42,824)
Carrying amount as at 1 July 2020	93,912	2,629	5,245	1,399	103,185
Additions	7,526	209	3,896	476	12,107
Disposals	(290)	-	(191)	-	(481)
Depreciation	(8,279)	(715)	(4,018)	(953)	(13,965)
Balance at 30 June 2021	92,869	2,123	4,932	922	100,846
Assets cost	118,787	12,898	17,798	8,152	157,635
Accumulated depreciation	(25,918)	(10,775)	(12,866)	(7,230)	(56,789)

Accounting Policy

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of items of property, plant and equipment have different useful lives, then they are accounted for as separate items.

Right-of-use assets related to lease properties that do not meet the definition of investment property are presented as property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values, using the straight line method over the estimated useful life and recognised in profit or loss.

The Group policy for depreciating right of use assets is detailed in note 7.

The estimated useful lives are as follows:

- Buildings 40-50 years
- Leasehold Improvements 3-10 years
- Plant, equipment & IT assets 3-5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end.

Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

7. Leases

7.1 Leases as lessee

The Group leases property, motor vehicles, computer and printing equipment. The leases typically run for a period of 3 to 10 years, and may include an option to renew the lease after that date. Lease payments are renegotiated at the end of lease period to reflect market rentals.

The Group leases plant and equipment with contract terms of one to three years. These leases are and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases is presented below.

Right of use assets

In thousands of AUD

	Land and buildings	Investment Properties	Plant and Equipment	Total
Balance at 1 July 2020	20,520	472	3,405	24,397
Addition during the year	4,931	-	2,767	7,698
Remeasurement during the year	272	-	153	425
Depreciation charge for the year	(7,272)	(317)	(3,201)	(10,790)
Balance at 30 June 2021	18,451	155	3,124	21,730

Amounts recognised in profit or loss

In thousands of AUD

	2021
Interest on lease liabilities	(992)
Variable lease payments not included in the measurement of lease liabilities	(5,841)
Expenses relating to short-term leases	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(331)

Amounts recognised in statement of cash flows

In thousands of AUD

	2021
Cash outflow for lease payment	(13,402)
Cash outflow for lease interest payment	(992)
Total cash outflow for lease	(14,394)

Lease Liability

In thousands of AUD

	2021	2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	8,799	10,007
Between one and five years	13,562	14,660
More than five years	2,864	5,272
Total undiscounted lease liabilities at 30 June	25,225	29,939
Lease liabilities included in the statement of financial position 30 June	22,360	26,926
Current Lease liability	6,587	8,996
Non- Current liability	15,773	17,930

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

7. Leases (continued)

7.1 Leases as lessee (continued)

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

7.2 Leases as lessor

The Group leases out its investment property consisting of its social and affordable housing.

All leases are classified as operating leases from a lessor perspective because the Group does not transfer substantially all of the risks and rewards incidental to the ownership of the assets to its tenants. Note 5 sets out information about the operating leases of investment property.

Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates

the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the Consolidated Financial Statements

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7. Leases (continued)

Accounting policy (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

I. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease

component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

8. Commitments

8.1 Capital commitments

Mission Australia Housing has contractual commitments with Housing NSW, as a condition of the transfer of properties under the NBESP scheme

and with Housing Tasmania, towards increasing the social and affordable housing stock in NSW and Tasmania.

8.2 Leases as lessor

The Group leases out its investment property (see Note 5). The future minimum lease receipts under non-cancellable leases are as follows:

In thousands of AUD

	2021	2020
Less than one year	1,794	1,756
Between one and five years	72	230
	1,866	1,986

During the year, \$35.5 million was recognised as rental income in profit and loss (2020: \$33.4 million).

8.3 Housing commitments

As a Community Housing Provider, Mission Australia Housing has set aside investment and cash assets for scheduled repairs and maintenance of housing properties. Refer to Note 10 *Investments* and Note 14 *Cash and Cash Equivalents* for details of assets set aside in the current financial year.

Failure to meet maintenance obligations may result in withdrawal of the Group's registration as a Community Housing Provider and other consequences of default within its contract with Housing NSW and Housing Tasmania.

The Group leases a number of properties, motor vehicles and IT equipment under operating

leases. The commitments greater than five years all relate to rental property leases. Other leases typically run for a period of three years, with an option to renew the lease after that date. Some leases provide for additional rent payments that are based on changes in a local price index.

During the year ended 30 June 2021, the Group recognised \$17.9 million (2020: \$14.6 million) as an expense in the income statement in respect of leases.

Notes to the Consolidated Financial Statements

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9. Trade and other receivables and contract assets

In thousands of AUD

Current

Trade receivables

JobKeeper subsidy receivable

Other receivables

Non Current

Subordinated notes in Goodstart Early Learning

	2021	2020
Trade receivables	9,140	9,629
JobKeeper subsidy receivable	-	6,899
Other receivables	74	72
	9,214	16,600
Subordinated notes in Goodstart Early Learning	3,366	3,366
	3,366	3,366
	12,580	19,966

Accounting Policy

Financial instruments

Trade and other receivables are classified as financial assets at amortised cost.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade and other receivables are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The group has no contract assets as at 30 June 2021.

The Group applied an 'expected credit loss' ("ECL") model in assessing impairment losses.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

COVID impact on credit risk

The Group's exposure to COVID credit risk is influenced mainly by the characteristics of its customer. The Group's customers are mainly Federal and State Government.

Due to the nature of Group's customers, the impact of COVID on credit risk was assessed as low.

Notes to the Consolidated Financial Statements

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10. Investments

In thousands of AUD

Current investments

	2021	2020
Opening balance	53,866	36,817
Additions	5,398	19,857
Movement in fair value	11,284	(2,808)
Financial assets designated at fair value through profit or loss	70,548	53,866

Term deposits

128,428	64,028
198,976	117,894

Non Current investments

Term deposits

1,540	1,760
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Accounting Policy

The financial assets at fair value through profit or losses are funds managed by an external manager. Fair value represents the market value of the financial assets at balance date.

Term deposits held with Australian Authorised Deposit-taking Institutions are classified as financial assets at amortised cost.

Mission Australia sets aside resources for future potential commitments of capital. The capital commitments held are assets in the form of investments included in the above amounts.

Investments include funds reserved for the periodic repair and maintenance of freehold and social and affordable housing properties in accordance with long-term asset management plans.

Financial assets at fair value through profit or loss

A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Consolidated Financial Statements

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Our financing and capital structure

This section provides information relating to the Group's capital structure and its exposure to financial risk, how they affect the Group's financial position and performance and how the risks are managed.

11. Loans and borrowings

This note provides information about the Group's interest-bearing loans and borrowings which are measured at amortised cost.

Terms and conditions of outstanding loans were as follows:

<i>In thousands of AUD</i>	Currency	Fixed interest rate	Year of maturity	30 June 2021		30 June 2020	
				Face Value	Carrying amount	Face value	Carrying amount
Non - Current							
Secured loan - NHFIC (MAH)	AUD	2.06%	2032	64,373	64,373	64,316	64,316
Secured loan - NHFIC (MAHPL)	AUD	2.14%	2031	67,662	67,662	-	-
Total interest-bearing liabilities				132,035	132,035	64,316	64,316

On 30 June 2020, Mission Australia Housing successfully completed a refinancing of its corporate loan facilities through a \$65.0 million loan facility with National Housing Finance and Investment Corporation (NHFIC). The new NHFIC facility enabled the repayment of Commonwealth Bank Australia (CBA) facilities. The NHFIC facility is fixed at rate of 2.06% for a term of 12 years.

At 30 June 2020, the NHFIC facility was secured over 46 investment properties with a carrying value of \$231.4 million.

In June 2021, Mission Australia Housing Partnership Limited (MAHPL) secured a \$67.9 million loan facility with National Housing Finance and Investment Corporation (NHFIC). The new NHFIC facility enabled the Group to commit to purchase of 130 residential units at Macquarie Park Sydney. The facility is secured up until purchase through the restricted cash as per Note 14.

The NHFIC facility is fixed at rate of 2.14% for a term of 10 years.

Notes to the Consolidated Financial Statements

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12. Provisions

In thousands of AUD

Current

Make good provision

Legal claim provision

Non current

Make good provision

	2021	2020
	2,967	2,162
	1,651	875
	4,618	3,037
	928	1,236
	928	1,236

Accounting Policy

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Make good provision

The Group recognises a make good provision in relation to its leasehold properties. The make good provisions are recognised at the best estimate of the costs to be incurred in settling the obligation.

Restructuring provision

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Legal claim Provision

The Group recognised a legal claim provision in relation to claims made against the Group. The legal claim provision is recognised at the best estimate of costs to be incurred in settling the claims.

13. Capital and reserves

13.1 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

13.2 Restricted accumulated surplus

The Group has restricted accumulated surplus of \$392.9 million (2020: \$383.0 million) in the current financial year relating to the surpluses of controlled entities over which restrictions on the ability to access capital exist.

Notes to the Consolidated Financial Statements

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14. Cash and cash equivalents

In thousands of AUD

	2021	2020
Bank balances	17,402	47,647
Restricted cash balance	67,662	-
Cash and cash equivalents in the statement of cash flows	85,064	47,647

The Group held the restricted cash balance of \$67.7 million under its subsidiary MAHPL upon securing a loan to finance the construction of 130 investment properties in a tower building at Midtown, Macquarie Park Sydney (Refer Note 11).

15. Finance income and finance costs

In thousands of AUD

	2021	2020
Recognised in profit or loss:		
Interest income on financial assets	846	1,301
Dividend income	19	391
Net change in fair value of financial assets at Fair value through profit or loss	11,284	-
Finance income	12,149	1,692
Interest expense on lease liabilities	(992)	(1,142)
Interest expense on financial liabilities	(1,606)	(1,671)
Fair value through profit or loss	-	(2,808)
Finance expense	(2,598)	(5,621)
Net finance income	9,551	(3,929)

Accounting Policy

Finance income and expense

The Group's finance income and finance costs include:

- interest income;
- interest expenses;
- dividend income; and
- changes in the fair value of financial assets at fair value through profit or loss.

Interest income or expenses are recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

16. Contract liabilities

Contract liabilities for the Group of \$23.8 million consists of government grants received in advance for services to be rendered by the Group.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

17. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

17.1 Investment property

Investment properties are held at fair value based on a determination of their highest and best use. An external, independent company, having appropriate professional qualifications and experience in the location and category of property is appointed to undertake investment property valuations. Properties are selected for independent valuation on a rotational basis to ensure each property is valued at least once every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property.

A yield that reflects the specific risks inherent in the net cash flows are then applied to the net annual cash flows to arrive at the property valuation.

Valuations consider, where appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

17.2 Investments in equity and debt securities

The value of financial assets at fair value through profit or loss is determined by reference to their quoted closing bid price at the reporting date.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

Our group structure

This section explains significant aspects of the Mission Australia group structure including joint arrangements that the Group has an interest in. It also provides information on Mission Australia's related parties.

18. Group entities

Active controlled entities, Mission Australia Housing, Mission Australia Housing (Victoria), Mission Australia Housing Tasmania, Mission Australia Housing Partnership Limited and Sir David Martin Foundation, all are incorporated in Australia and 100% owned by Mission Australia.

Mission Australia Housing, Mission Australia Housing (Victoria), Mission Australia Housing Tasmania and Mission Australia Housing Partnership Limited have restrictions on the distribution of dividends and capital to the Company.

Accounting Policy

Basis of consolidation

Controlled entities

The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of controlled entities have been changed when necessary to align them with the policies adopted by the Group.

Mission Australia Housing and Mission Australia Housing (Victoria) have been registered as Housing Associations, which are subject to various restrictions in New South Wales, Tasmania and

Victoria, in particular around their ability to make distributions of profit or capital to the Company. AASB 10 Consolidated Financial Statements require that these entities be consolidated, as control, rather than appropriation of capital, is the overriding determinant of whether an entity is consolidated.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

19. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2021 the parent entity of the Group was Mission Australia.

In thousands of AUD

Result of parent entity

Surplus for the period

Total comprehensive income for the period

Financial position of parent entity at year end

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities

Net assets

Total equity of the parent entity comprising of:

Accumulated surplus

Total equity

2021	2020
	<i>Restated*</i>
45,793	32,193
45,793	32,193
169,577	160,512
146,126	107,360
315,703	267,872
86,747	79,762
19,487	24,434
106,234	104,196
209,469	163,676
209,469	163,676
209,469	163,676

** As a result of an IFRS Interpretation Committee agenda decision the Group has changed its accounting policy for software as a service (SAAS) arrangements (refer Note 25)*

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

Our people

This section provides details of the Group's employee costs, including Key Management Personnel.

20. Personnel expenses

In thousands of AUD

	2021	2020
Wages and salaries	153,271	158,858
Other associated personnel expenses	22,347	18,639
Contributions to defined contribution plans	15,189	15,543
	190,807	193,040

Accounting Policy

Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Defined Contribution plan

Obligations for contribution to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in future payments is available.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

21. Related parties

21.1 Key Management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see Note 20) is as follows:

<i>In AUD</i>	2021	2020
Short-term employee benefits	2,628,641	2,669,873
Other long-term benefits	216,900	219,020
Post-employment benefits	170,395	174,797
Termination benefits	-	103,990
	3,015,936	3,167,680

21.2 Individual Directors' disclosures

The Directors provide their services to Mission Australia on an honorary basis and receive no direct remuneration in respect of the services provided and no indirect remuneration.

No Director has personally entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end other than as disclosed in the Directors' Report.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

Other disclosures

This section provides details of other disclosures relating to the Group to comply with accounting standards and other pronouncements.

22. Contingencies

22.1 Contingent Assets

The Directors are of the opinion that provisions are not required in respect of contingencies, as it is not probable that a future sacrifice of economic benefits will be required or that the amount is not capable of reliable measurement.

22.2 Contingent liabilities

The Directors are of the opinion that provisions are not required in respect of contingencies, as it is not probable that a future sacrifice of economic benefits will be required or that the amount is not capable of reliable measurement.

23. Subsequent events

The financial impacts arising from COVID-19, directly and indirectly, are expected to continue in future. The Directors acknowledge that there exists uncertainty over the impacts given the changes that may arise in the course of the pandemic and subsequent responses by Governments.

In the opinion of the Directors, there have been no other likely changes in the operations of the Group that will adversely or significantly affect the results of the Group in subsequent financial years.

24. Members' guarantee

Mission Australia is a company limited by guarantee. In the event of the Company being wound up, each member is liable to contribute an amount not exceeding 10 cents.

25. Significant and changed accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements of all Group entities.

25.1 Income tax

The Mission Australia entities are appropriately endorsed as required by the Australian Taxation Office from 1 July 2005, or as otherwise incorporated, for income tax exemption. Donations of two dollars or more given to the following entities attract income tax deductibility for the donors to:

- Mission Australia
- The Trustee for Sir David Martin Foundation
- The Trustee for Mission Australia Foundation
- Mission Australia Housing
- Mission Australia Housing (Victoria)
- Mission Australia Housing Partnership Limited
- Mission Australia Housing Tasmania

25.2 Changes in accounting policy

Software-as-a-Service (SaaS) arrangements

The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement April 2021 – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

25. Significant and changed accounting policies (continued)

25.2 Changes in accounting policy (continued)

The Group's accounting policy has historically been to capitalise all costs related to software arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions has resulted in a reclassification of these intangible assets to either a prepaid asset in the Statement of Financial Position and/or recognition as an expense in the Statement of Comprehensive Income, impacting both the current and prior periods presented.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such, the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract

- Fee for use of application software
- Customisation costs that are not distinct from the application software

Recognise as an operating expense as the service is received

- Configuration costs
- Data conversion and migration costs
- Testing costs
- Training costs

The Group's SAAS arrangements have typically been configured and customised by third parties which is consider distinct from the underlying SAAS software. As such, these services are expensed.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Notes to the Consolidated Financial Statements

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

25. Significant and changed accounting policies (continued)

25.2 Changes in accounting policy (continued)

Impact on consolidated statements of profit or loss and other comprehensive income

2020

In thousands of AUD

Software development expenses

Total Software development expenses

As previously reported	Adjustments	As reported
2,359	2,931	5,290
2,359	2,931	5,290

Impact on consolidated statement of cash flow

2020

In thousands of AUD

Cash paid to suppliers and employees

Net cash from operating activities

Payments for fixed assets and investment properties

Net cash (used in) investing activities

As previously reported	Adjustments	As reported
(276,682)	(3,414)	(280,096)
44,128	(3,414)	40,714
(11,250)	3,414	(7,836)
(30,494)	3,414	(27,080)

Impact on consolidated statement of financial position

2020

In thousands of AUD

Intangible assets

Total assets

Net assets

Accumulated surplus

Total equity

As previously reported	Adjustments	As reported
5,706	(5,706)	-
5,706	(5,706)	-
552,382	(5,706)	546,676
169,382	(5,706)	163,676
552,382	(5,706)	546,676

25.3 New Standards and interpretations not yet adopted

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were issued but not yet effective:

- AASB 2020-1 and 2020-6 Classification of liabilities as current or non-current.
- AASB 2020-4 COVID-19 Related Rent Concessions Beyond 30 June 2021 (AASB 2020-4).
- AASB 2020-3 Narrow scope improvements to AASB 116, AASB 137 and AASB 3. Annual improvements to AASB 16, AASB 1, AASB 9 and AASB 141.

- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.
- AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions Beyond 30 June 2021.
- AASB 17 Insurance Contracts (effective to annual reporting periods beginning on or after 1 January 2023).

The Group is assessing the potential impact on its financial statements of these new and revised Standards.

Directors' Declaration

Annual Financial Report 30 June 2021 | Mission Australia and its controlled entities

Directors' Declaration

In the opinion of the Directors of Mission Australia ('the Company'):

- a) the consolidated financial statements and notes set out on pages 13 to 40 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2021 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*.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Sydney, 27 September 2021.



Kenneth Dean
President and Chairman



Ian Hammond
Chairman, Board Audit and Risk Committee

Chairman's Declaration

Declaration to be furnished under the Charitable Fundraising Act 1991 NSW. This declaration is made in accordance with Authority Conditions 7(4) and 7(5) issued by the Minister under Section 19 of the Charitable Fundraising Act 1991 NSW.

I, Kenneth Dean, President and Chairman of the Board of Mission Australia, declare that in my opinion:

- a) the consolidated financial statements give a true and fair view of all income and expenditure of Group with respect to fundraising appeals; and
- b) the Consolidated Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- c) the provisions of the Charitable Fundraising Act 1991 NSW, the Regulations under the Act and the conditions attached to the fundraising authority have been complied with by Group; and
- d) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group from any of its fundraising appeals.

Dated at Sydney, 27 September 2021.



Kenneth Dean
President and Chairman



Independent Auditor's Report

To the members of Mission Australia

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of Mission Australia (the Company) and its controlled entities (the Group).

In our opinion, the accompanying **Financial Report** of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2021.
- ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration.
- v. Declaration by the Chairman in respect of fundraising appeals of the Company.

The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the ACNC Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other information

Other Information is financial and non-financial information in Mission Australia's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations.
- iii. Implementing necessary internal control 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.
- iv. Assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.



We also:

- i. 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.
- ii. 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 Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. 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 registered Group'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 Group to cease to continue as a going concern.
- v. 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 of the Group 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 30 June 2021;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2020 to 30 June 2021 in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2020 to 30 June 2021 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

KPMG

Stephen Isaac

Partner

Sydney

27 September 2021