

**INTELIFE GROUP LTD**  
ABN 79 872 326 186

**Financial Statements**

**For the Year Ended  
30 June 2020**

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# **INTELIFE GROUP LTD**

**ABN 79 872 326 186**

## **BOARD OF DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2020**

The Board of Directors presents the financial statements of Intelife Group Ltd, for the financial year ended 30 June 2020.

#### **Board of Directors**

The names of the Board of Directors during the year and to the date of this report are:

Mr Zenith Zeeman

Mr Simon Rear

Mrs Karen Whittle-Herbert

Mr David Baughen

Mr Paul Finkelstein

Ms Trudi Chesterton

Mr Christopher How

Ms Kristen Turnbull

#### **Principal activities**

The Group's principal activity is to develop and promote each of our clients as valued members of the community through life skills development, including employment.

There were no significant changes in the nature of the Group's activities during the year.

#### **Operating result and review of operations**

The operating result for the year was a loss of \$220,322 (2019: surplus of \$362,944). There was \$147,842 in capital grants for 2020 (2019: there were nil capital grants). The Group is exempt from income tax.

#### **Significant Changes in State of Affairs**

No significant changes in the Group's state of affairs occurred during the financial year not otherwise disclosed.

#### **After Balance Date Events**

On the 1 July 2020, the Group took possession of the business Westland Works for the consideration of \$1,900,000. The nature of the business is mulching, firebreaks, tree pruning and rail safeworking services.

#### **Future Developments**

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

## **Information on Directors**

### **Paul Finkelstein – Finance and Audit Committee Chair *CPA***

Paul is a Certified Practising Accountant and a Senior Consultant in Finkelstein Hickmott Pty Ltd, Certified Practising Accountants.

### **Zenith Zeeman – Board Chairman *BScience (Nursing)***

Zenith Zeeman is General Manager of Residential Care at Amana Living and a registered Mental Health and General Nurse with a BScience (Nursing). Zenith has a Masters of Business Administration and is a member of the Australian Institute of Company Directors.

### **Simon Rear – Deputy Board Chair *LLB BA GradDipAppFin (Sec Inst)***

Simon Rear is a Corporate Partner at Squire Patton Boggs in Perth. Simon is also an expert in corporate governance and regularly presents on corporate governance issues including at the Governance Institute.

### **Trudi Chesterton –FAC Deputy Chair *BComm, MBA, CA***

Trudi is a Chartered Accountant with a Commerce Degree from the Australian National University, and an MBA from Deakin University.

### **Karen Whittle-Herbert –*BComm(Hons) MSc(AppPsych) GAICD***

Karen is an executive and non-executive director with experience in property, procurement and governance in education, aged care, indigenous land management and the public sector. Karen is a graduate member of the Australian Institute of Company Directors.

### **Christopher How –*MBA, BA(Sc), MAICD***

Christopher has over 20 years' experience in management and senior management across a number of industry sectors. Christopher holds a number of degrees across Science, and Health Management and has also achieved a Masters of Business in Health Care Administration.

### **David Baughen – *MSc (Struct Eng), BScience (Civil Eng with Honours)***

David has over 40 years' experience in engineering and project management, 20 years as a Company Director and 11 years as Managing Director. He looks to work in the space of leadership development, project delivery and organisational change.

### **Kristen Turnbull – *BA Journalism, Exec MBA, GAICD***

Kristen is a director at CoreData WA, part of the global CoreData Group. Having worked in market research for more than a decade, Kristen has extensive experience helping companies drive evidence-based growth and transformational change through data and insight.

## Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendance by each director were as follows:

|                       | <b>Directors Meetings</b>            |                            |
|-----------------------|--------------------------------------|----------------------------|
|                       | <b>Number<br/>eligible to attend</b> | <b>Number<br/>attended</b> |
| Paul Finkelstein      | 9                                    | 9                          |
| Trudi Chesterton      | 9                                    | 7                          |
| Zenith Zeeman         | 9                                    | 9                          |
| Karen Whittle-Herbert | 9                                    | 8                          |
| Simon Rear            | 9                                    | 8                          |
| Christopher How       | 9                                    | 8                          |
| David Baughen         | 9                                    | 7                          |
| Kristen Turnbull      | 9                                    | 9                          |

## Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

## Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

## Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$250 each towards meeting any outstanding obligations of the company. As at 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$4,500.

Signed in accordance with a resolution of the Board of Directors.

Zenith Zeeman  
Chairman

Dated this 27<sup>th</sup> day of October, 2020

**INTELIFE GROUP LTD**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2020**

|   | <i>Note</i> | <b>2020</b><br>\$ | <b>2019</b><br>\$ |
|---|-------------|-------------------|-------------------|
| Revenue   | <b>19</b>   | 22,109,271        | 20,846,938        |
| Employee benefits expense   |             | (17,596,221)      | (15,907,329)      |
| Depreciation, amortisation and write-offs                                 |             | (1,242,248)       | (573,465)         |
| Finance costs   |             | (55,581)          | (0)               |
| Other expenses  |             | (3,583,385)       | (4,003,200)       |
| <b>Surplus / (deficit) from ordinary activities before capital grants</b> |             | (368,164)         | 362,944           |
| Capital grants (non-recurrent)  | <b>17</b>   | 147,842           | 0                 |
| <b>Surplus / (deficit) from ordinary activities after capital grants</b>  |             | (220,322)         | 362,944           |

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

**INTELIFE GROUP LTD**  
**Statement of Financial Position**  
**As at 30 June 2020**

|                                       | <i>Note</i> | <b>2020</b>       | <b>2019</b>       |
|---------------------------------------|-------------|-------------------|-------------------|
|                                       |             | \$                | \$                |
| <b>Assets</b>                         |             |                   |                   |
| <b>Current assets</b>                 |             |                   |                   |
| Cash and cash equivalents             | <b>4</b>    | 7,883,085         | 244,366           |
| Term Deposits                         | <b>4</b>    | -                 | 5,950,000         |
| Trade and other receivables           | <b>5</b>    | 2,207,058         | 1,176,181         |
| Other Assets                          | <b>10</b>   | 589,217           | 442,866           |
| Property held for sale                | <b>9</b>    | 581,354           | 581,354           |
| <b>Total current assets</b>           |             | <b>11,260,714</b> | <b>8,394,767</b>  |
| <b>Non-current assets</b>             |             |                   |                   |
| Property, plant and equipment         | <b>7</b>    | 5,134,303         | 5,272,632         |
| Intangible Assets                     | <b>8</b>    | 437,046           | 688,479           |
| Other Assets                          | <b>10</b>   | 1,034,239         | -                 |
| Right of use assets                   | <b>6</b>    | 888,219           | -                 |
| <b>Total non-current assets</b>       |             | <b>7,493,807</b>  | <b>5,961,112</b>  |
| <b>Total assets</b>                   |             | <b>18,754,521</b> | <b>14,355,879</b> |
| <b>Liabilities</b>                    |             |                   |                   |
| <b>Current liabilities</b>            |             |                   |                   |
| Trade and other payables              | <b>11</b>   | 1,293,824         | 978,554           |
| Short term borrowings                 | <b>12</b>   | 387,564           | -                 |
| Revenue in advance                    |             | 2,469,338         | 942,845           |
| Provisions                            | <b>13</b>   | 934,993           | 1,080,479         |
| Lease Liabilities                     | <b>6</b>    | 449,806           | -                 |
| <b>Total current liabilities</b>      |             | <b>5,535,524</b>  | <b>3,001,878</b>  |
| <b>Non-current liabilities</b>        |             |                   |                   |
| Interest-bearing liabilities          | <b>12</b>   | 1,382,144         | -                 |
| Provisions                            | <b>13</b>   | 247,463           | 265,245           |
| Lease Liabilities                     | <b>6</b>    | 464,445           | -                 |
| <b>Total non-current liabilities</b>  |             | <b>2,094,052</b>  | <b>265,245</b>    |
| <b>Total liabilities</b>              |             | <b>7,629,576</b>  | <b>3,267,123</b>  |
| <b>Net assets</b>                     |             | <b>11,124,945</b> | <b>11,088,756</b> |
| <b>Equity</b>                         |             |                   |                   |
| Retained earnings                     |             | 11,124,945        | 10,922,652        |
| Strategic business investment reserve |             | -                 | 166,104           |
| <b>Total equity</b>                   |             | <b>11,124,945</b> | <b>11,088,756</b> |

The Statement of Financial Position is to be read in conjunction with the attached notes.

**INTELIFE GROUP LTD**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2020**

|   | <i>Note</i> | <b>2020</b>       | <b>2019</b>       |
|---|-------------|-------------------|-------------------|
|   |             | \$                | \$                |
| <b>Strategic Business Investment Reserve</b>        |             |                   |                   |
| Balance as at 1 July                                |             | 166,104           | 166,104           |
| Transfer to Retained Earnings                       |             | (166,104)         | -                 |
| <b>Balance as at 30 June</b>                        |             | -                 | 166,104           |
| <b>Retained Earnings</b>                            |             |                   |                   |
| Balance as at 1 July                                |             | 10,922,652        | 10,559,708        |
| Adjustment on adoption of AASB 1058                 |             | 256,511           | -                 |
| Transfer from Strategic Business Investment Reserve |             | 166,104           | -                 |
| Net profit/(loss) for the period                    |             | (220,322)         | 362,944           |
| <b>Balance as at 30 June</b>                        |             | <u>11,124,945</u> | <u>10,922,652</u> |

The Statement of Changes in Equity is to be read in conjunction with the attached notes.



**INTELIFE GROUP LTD**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2020**

|   | <i>Note</i> | <b>2020</b><br>\$ | <b>2019</b><br>\$  |
|---|-------------|-------------------|--------------------|
| <b>Cash flows from operating activities</b>             |             |                   |                    |
| Receipts from grants                                    |             | 16,834,946        | 16,173,533         |
| Receipts from trade customers and clients               |             | 4,842,781         | 4,587,659          |
| Receipts from vehicle usage fees                        |             | 29,129            | 78,347             |
| Payments to suppliers and employees                     |             | (20,812,389)      | (20,184,682)       |
| Interest received                                       |             | 97,874            | 180,640            |
| Interest paid   |             | (55,581)          | -                  |
| <b>Net cash from operating activities</b>               | <b>18</b>   | <b>936,760</b>    | <b>835,497</b>     |
| <b>Cash flows from investing activities</b>             |             |                   |                    |
| Receipts from grants                                    |             | 880,935           | -                  |
| Payment for equipment, fixtures and fittings            |             | (114,110)         | (106,326)          |
| Payment for Other Assets                                |             | (1,034,239)       | -                  |
| Transfer from/(to) investments                          |             | 5,950,000         | (1,449,714)        |
| <b>Net cash used in investing activities</b>            |             | <b>5,682,586</b>  | <b>(1,556,040)</b> |
| <b>Cash flows from financing activities</b>             |             |                   |                    |
| Proceeds from Borrowings                                |             | 2,028,334         | -                  |
| Repayment of Borrowings                                 |             | (258,626)         | -                  |
| Lease Repayments  |             | (750,336)         | -                  |
| <b>Net cash used in financing activities</b>            |             | <b>1,019,372</b>  | <b>-</b>           |
| Net Increase/(decrease) in cash and cash equivalents    |             | 7,638,718         | (720,543)          |
| Cash and cash equivalents at the beginning of the year  |             | 244,367           | 964,910            |
| <b>Cash and cash equivalents at the end of the year</b> | <b>4</b>    | <b>7,883,085</b>  | <b>244,367</b>     |

The statement of cash flows is to be read in conjunction with the attached notes.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies**

##### **Basis of preparation**

Intelife Group Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The Group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

##### **(a) Cash and cash equivalents**

Cash and Cash Equivalents include cash on hand, bank balances and deposits on call.

##### **(b) Financial Instruments**

Intelife Group Limited's principal financial instruments comprise cash, bank overdrafts, receivables, payables, other payables and loans.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk.

The Board and management are responsible for the identification and control of financial risks.

AASB 9 requires all recognised financial assets be measured at amortised cost or fair value in subsequent accounting periods following initial recognition. AASB 9 introduces a single, forward looking expected loss impairment model.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(b) Financial Instruments (continued)**

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due status, credit ratings and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortised cost.

The Group measures expected credit loss by considering the risk of default over the contract period and incorporates forward looking information into its measurement.

##### **(c) Income tax**

The Group is exempt from the payment of income tax pursuant to Division 50 of the Income Tax Assessment Act (1997).

##### **(d) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

##### **(e) Property, plant and equipment**

###### **Basis of measurement of carrying amount**

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses. Plant and equipment is stated at cost less accumulated depreciation and less any impairment losses.

The cost of buildings constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(e) Property, plant and equipment (continued)**

Any property, plant and equipment donated to the Group or acquired for nominal cost is recognised at fair value at the date the Group obtains control of the asset.

Intelife has a policy that only items of greater than \$5,000 in value are capitalised in the Statement of Financial Position.

##### **Depreciation**

Items of Property, Plant and Equipment (other than land) are depreciated over their useful lives to the Group commencing from the date the asset is purchased. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

|                       |              |
|-----------------------|--------------|
| Buildings             | 2.0%         |
| Motor Vehicles        | 17.5%        |
| Fixtures & Fittings   | 10.0 - 20.0% |
| Computer Equipment    | 33.3%        |
| Other Equipment       | 20.0%        |
| Low Value Pool Assets | 100.0%       |

All assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

##### **Impairment**

The carrying amount of Property, Plant & Equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. In such cases, the asset is written down to its recoverable amount with an impairment loss recognised in the statement of profit or loss and other comprehensive income.

##### **Derecognition and disposal**

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the Group or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

##### **Asset held for Sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through the sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(f) Intangible assets**

Software with a finite life, is recorded at cost and is carried at cost less any accumulated amortisation and impairment losses. The estimated useful life is between one and five years. Software is amortised on a straight line basis in the Statement of Profit or Loss Income over their estimated useful life. It is assessed annually for impairment.

##### **(g) Leases**

###### **Lease Liabilities**

Lease liabilities arising from a lease are initially measured on a present value basis by discounting the lease payments to their present value using the Group's weighted average borrowing rate. The weighted average borrowing rate for the year was 4.65%.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Subsequently to initial recognition, lease liabilities are carried at amortised cost. Payments are allocated between repayment of principal and borrowing costs, which are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

###### **Right-of- use assets**

Right-of-use assets are initially recognised at cost, comprising:

- The amount of the lease liability
- Any lease payments made at or before the commencement date, less any incentives received,
- Initial direct costs, and
- Restoration costs.

Subsequently, right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

###### **Short term leases and leases of low value assets**

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

##### **(h) Employee provisions**

###### **Short-term employee benefits**

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(h) Employee provisions (continued)**

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

##### **Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurement of obligations for other long term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

##### **(i) Provisions**

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

##### **(j) Revenue recognition**

Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

##### **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. Judgement is to be applied when determining whether a promise is 'sufficiently specific' to be considered a performance obligation under AASB 15.

All conditions specified in the arrangements regarding the promised goods and services need to be considered (both explicit and implicit) including (but not limited to) those regarding:

- the nature or type of goods or services;
- the cost or value of goods or services;
- the quantity of goods or services; and
- the period of time over which the goods or services must be transferred.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(j) Revenue recognition (continued)**

Each promise is assessed separately to determine if it is ‘sufficiently specific’ enough to qualify as a performance obligation under AASB 15.

**Revenue under AASB 15 is recognised by applying a five-step model as follows:**

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally the timing of the payment for 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 have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### **Business Services Revenue**

Where the consideration for Business Services Revenue consists of a recurring fixed amount over the term of the contract (e.g. monthly payment) and the customer receives and consumes the benefits of the services as the Company provides them then revenue is recognised on a straight line basis over the term of the contract.

Costs are recognised on an accrual basis.

##### **Revenue from Government Funding – Lifeskills and Employment Supports**

Grants received from the Department of Communities (DoC), Department of Social Services (DSS) and National Disability Insurance Agency (NDIA) support the Group’s lifeskills and employment programs.

Grants received from DoC and the DSS on the condition that specified services are delivered, or conditions are fulfilled are recognised as services are performed or conditions fulfilled. A contract liability is recognised when the timing of payment is before the delivery of support.

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

##### **Revenue from Government Funding – Respite and Other Supports**

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. Once the asset has been recognised, the Group recognises any related liability amounts (e.g. provisions, financial liabilities).

##### **Capital Grants**

The Group receives grants from the DoC, Lotterywest and DSS that are capital grants.

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(j) Revenue recognition (continued)**

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.

##### **Revenue from Government Funding – Jobkeeper**

The job keeper arrangement with Government does not contain sufficiently specific performance obligations, so income is recognised in the profit and loss (AASB 1058, paragraph 10) as Other grant income. The continued employment of staff is an internal activity and does not represent the transfer of goods or services to a customer, i.e. no sufficiently specific performance obligation.

The right to receive the asset is recognised when each fortnightly payment is made. At 30 June 2020, it is not possible to accrue for the receipt of all remaining job keeper payments.

##### **Donations**

Donations and bequests are recognised as revenue when the group gains control of the asset

##### **(k) Expenditure**

All expenditure is accounted for on an accrual basis.

##### **(l) Trade and other payables**

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Group during the reporting time, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability Goods and Services Tax (GST).

##### **(m) Trade and other receivables**

Trade receivables are non-interest bearing loans and generally on 30-day terms. Expected credit loss is recognised per the requirements of AASB 9 Financial Instruments. The provision rates are based on days past due and historical observed default rates, adjusted for forward looking factors specific to the debtors and the economic environment

##### **(n) Comparative figures**

The Group has applied the modified retrospective transition method for the standards AASB 15, AASB 1058 and AASB 16.

The current year has been prepared under the new standard and the prior year under the old standards.

Adjustments to accumulated funds due to changes in adoption of new accounting standards occur at the opening Statement of Financial Position as at the 1 July 2019.



# **INTELLIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **(o) NEW AND AMENDED STANDARDS**

###### **New standards and amendments adopted**

###### **AASB 16**

The Group has adopted AASB 16 with effect from 1 July 2019, but has not restated comparatives for the 2019 reporting period. All relevant contracts, other than those relating to low-value assets, have been assessed to determine whether they are, or contain, leases.

The new accounting policy applicable to leases, including measurement of lease liabilities and right-of-use assets from 1 July 2019 is detailed in note 1(g).

Until the end of the comparative period, leases were accounted for by applying the principles of AASB117 Leases, which classified arrangements as either finance leases or operating leases. From 1 July 2019, the accounting policy was changed so that leases are recognised by applying the principles of AASB16 Leases. Under the new standard, leases are recognised as right-of-use assets with corresponding lease liabilities. No adjustments were made to the opening balance of retained earnings.

###### **Lease liabilities**

The weighted average interest rate used to discount the payments due over the remaining term for each lease was 4.65%.

###### **AASB 15 and AASB 1058**

The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for-Profit Entities for the first time in the current year with a date of initial application of 1 January 2019.

The Group has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated and continues to be reported under AASB 111 Construction Contracts, AASB 118 Revenue, AASB 1004 Contributions and related interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to accumulated funds at 1 January 2019.

###### **Nature of change in accounting policy from adoption of AASB 15 and AASB 1058**

The Group has adopted AASB 15 and AASB 1058 with effect from 1 July 2019.

###### **Grants – operating**

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer. Having reviewed the grants received, there are some which fall into AASB 1058 and others which falls into AASB 15 which has resulted in some revenue recognised in the prior year. These changes were adjusted to retained earnings on the 1 July 2019.

# INTELIFE GROUP LTD

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1. Statement of significant accounting policies (continued)

##### (o) NEW AND AMENDED STANDARDS (continued)

##### Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where The Group has received cash to acquire or construct a non-financial asset, the asset is to be controlled by Group and there is a refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

This has resulted in deferral of revenue and recognition of a contract liability for funds which have not been fully spent at transition date.

##### AASB 15 – Revenue from Contracts

The core principle of AASB 15 is to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group earns some revenue from services that are based on service obligations to be met over the course of 12 months which are not on a regular monthly basis. The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. Accordingly, the group has not adjusted transaction prices for service based prices based on annual obligations.

|                                      | Carrying<br>amount per<br>Statement of<br>financial<br>position under<br>AASB 15 and<br>AASB 1058 | Reclassification | Carrying<br>Amount under<br>previous<br>Revenue<br>Statements |
|--------------------------------------|---|------------------|---|
| <b>Operating grant revenue</b>       |   |                  |   |
| National Disability Insurance Scheme | 9,758,396   |                  | 9,758,396   |
| Department of Community              | 3,184,849   | 113,808          | 3,298,657   |
| Department of Social Security        | 1,378,908   | 142,703          | 1,521,611   |
| Other                                | 2,459,250   |                  | 2,459,250   |
| <b>Operating grant revenue</b>       | <b>16,781,402</b>   | <b>256,511</b>   | <b>17,037,913</b>   |
| <b>Other revenue</b>                 |   |                  |   |
| Business revenue                     | 4,990,444   |                  | 4,990,444   |
| Other fees and charges               | 239,551   |                  | 239,551   |
| <b>Other revenue</b>                 | <b>5,229,994</b>  |                  | <b>5,229,994</b>  |
| <b>Operating revenue</b>             | <b>22,011,397</b>   | <b>256,511</b>   | <b>22,267,907</b>   |

# **INTELIFE GROUP LTD**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1. Statement of significant accounting policies (continued)**

##### **Forthcoming standards and amendments not yet adopted**

There are no other forthcoming standards and amendments that are expected to have a material impact on the entity in the current or future reporting periods, or on foreseeable future transactions.

##### **(p) Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in note 3, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

##### **Key judgements**

##### **Employee benefits**

For the purpose of measurement, AASB 19: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the group expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the group believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

##### **(p) Significant accounting judgments, estimates and assumptions (continued)**

Long service leave provisions have been reassessed and expectations of leave becoming due and payable as follows:

# INTELIFE GROUP LTD

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1. Statement of significant accounting policies (continued)

| Years of Service   | %   |
|--------------------|-----|
| 0- but less than 3 | 0   |
| 3- but less than 4 | 30  |
| 4- but less than 5 | 40  |
| 5- but less than 6 | 50  |
| 6- but less than 7 | 80  |
| 7 + years          | 100 |

#### Revenue recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

#### 2. Related parties and related party transactions

##### (a) Directors' compensation

The directors act in an honorary capacity and receive no compensation for their services.

##### (b) Transactions with director-related entities

During the year payments were made to the following Director-related entities

- Squire Patton Boggs payments of \$77,094 inc GST (2019: \$14,958), an entity associated with Simon Rear, for legal services.
- Finkelstein Hickmont Pty Ltd payments of \$11,000 inc GST (2019: nil), an entity associated with Paul Finkelstein, for due diligence services.

These services were provided under normal commercial terms and conditions. No amounts are payable or are receivable from directors or director related entities at the reporting date.

##### (c) Key management personnel

The names and positions of those personnel as at 30 June 2020 having authority for planning, directing and controlling the Group's activities, directly or indirectly (other than directors), are:

- Stephen Edgar, Chief Executive Officer
- Christopher Schumcke (Resigned December 2019)
- Annmarie Diamond, General Manager – Finance & Strategy
- Jason Smith, General Manager – Commercial Services

# INTELIFE GROUP LTD

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 3. COVID-19 Impact

Given the uncertainty of the duration and impact of COVID-19 pandemic, the Group has taken steps to reduce cash outflows and extend its cash operating runway.

Further specific actions taken include:

- Reduction in costs including staff hours and motor vehicles in areas where activities were scaled back;
- Successful application for Federal Government's Job Keeper Wage Subsidy for all eligible staff with eligible roles; and
- Temporary freeze on all non-essential office and utility costs.

These actions reflect the continued focus of the Board and Management on preserving cash and long-term value while maintaining focus on services for existing and prospective customers. The Group will continue to closely monitor developments related to COVID-19, and take appropriate actions as required.

#### 4. Cash and cash equivalents

|                          | <b>2020</b>      | <b>2019</b>      |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Cash at bank and in hand | 425,551          | 56,119           |
| Short term deposits      | 7,457,534        | 188,247          |
|                          | <u>7,883,085</u> | <u>244,366</u>   |
|                          | <b>2020</b>      | <b>2019</b>      |
|                          | \$               | \$               |
| Term Deposits            | -                | 5,950,000        |
|                          | <u>-</u>         | <u>5,950,000</u> |

Cash at bank earns interest at floating rates based on daily deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the Group's cash requirements. These deposits earn interest at market rates.

#### 5. Trade and other receivables

|                             | <b>2020</b>      | <b>2019</b>      |
|-----------------------------|------------------|------------------|
|                             | \$               | \$               |
| Trade receivables           | 867,253          | 460,886          |
| Other receivables           | 1,543,543        | 728,979          |
| Less Expected credit losses | (203,738)        | (13,684)         |
|                             | <u>2,207,058</u> | <u>1,176,181</u> |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**5. Trade and other receivables (continued)**

Trade receivables are non-interest bearing and are on settlement terms of 14 to 30 days.

**Recognition and measurement**

Trade receivables are classified at, initial recognition, and subsequently measured at amortised cost, less an allowance for expected credit losses (“ELCs”).

The Group applies a simplified approach in calculating the ELCs on trade receivables. The Group does not track changes in credit risk of customers but instead recognises a loss of allowance based on the lifetime ELCs at balance date using a provision matrix. The provision rates are based on days past due and historical observed default rates, adjusted for forward looking factors specific to the debtors and the economic environment.

**6. Leases**

**Amounts recognised in the statement of financial position**

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | \$          | \$          |
| <b>Right-of-use assets</b>                          |             |             |
| Right of use Assets                                 | 1,664,586   |             |
| Less Accumulated Depreciation (Right of Use Assets) | (776,367)   |             |
|   | 888,219     |             |

|                          | <b>2020</b> | <b>2019</b> |
|--------------------------|-------------|-------------|
|                          | \$          | \$          |
| <b>Lease Liabilities</b> |             |             |
| Current                  | 449,806     | -           |
| Non-current              | 464,444     | -           |
|                          | 914,250     | -           |

**Amounts recognised in the statement of profit or loss**

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | \$          | \$          |
| <b>Amortisation charge of right of use assets</b> |             |             |
| Buildings   | 215,680     | -           |
| Motor Vehicles                                    | 560,687     | -           |
|   | 776,367     | -           |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**6. Leases (continued)**

**Amounts recognised in the statement of profit or loss (continued)**

|                                   |         |
|-----------------------------------|---------|
| <b>Borrowing costs</b>            | 44,429  |
| <b>Total cash flow for leases</b> | 794,764 |

From 1 July 2019, the Group accounting policy was changed so that leases are recognised by applying the principles of AASB16 Leases. Under the new standard, leases are recognised as right-of-use assets with corresponding lease liabilities. The group leases 4 offices, and vehicles. Rental contracts are typically made for fixed periods of 1 to 3 years, but may have extension options.

**7. Property, plant and equipment**

|   | <b>2020</b>             | <b>2019</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| Land, at cost                             | 2,904,659               | 2,904,659               |
| Buildings, at cost                        | 1,395,341               | 1,395,341               |
| Less accumulated depreciation (buildings) | (260,403)               | (232,496)               |
|   | <u>4,039,597</u>        | <u>4,067,504</u>        |
| Motor vehicles, at cost                   | 215,905                 | 215,905                 |
| Less accumulated depreciation             | (215,905)               | (215,905)               |
|   | <u>-</u>                | <u>-</u>                |
| Leasehold improvements, at cost           | 157,648                 | 317,754                 |
| Less accumulated depreciation             | (147,583)               | (222,818)               |
|   | <u>10,065</u>           | <u>94,936</u>           |
| Fixtures and fittings, at cost            | 2,144,342               | 2,037,807               |
| Less accumulated depreciation             | (1,318,500)             | (1,131,097)             |
|   | <u>825,842</u>          | <u>906,710</u>          |
| Computer and other equipment, at cost     | 1,153,218               | 822,396                 |
| Less accumulated depreciation             | (894,418)               | (618,914)               |
|   | <u>258,799</u>          | <u>203,482</u>          |
| <b>Net carrying amount</b>                | <u><u>5,134,303</u></u> | <u><u>5,272,632</u></u> |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**7. Property, plant and equipment (continued)**

Movements in the net carrying amounts for each class of property, plant and equipment are shown below from the beginning to the end of the year.

|   | <b>2020</b>             | <b>2019</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| <b>Land and buildings</b>                     |                         |                         |
| Carrying amount at beginning of the year      | 4,067,504               | 4,095,411               |
| Depreciation                                  | (27,907)                | (27,907)                |
| Carrying amount at end of the year            | <u>4,039,597</u>        | <u>4,067,504</u>        |
| <b>Motor vehicles</b>                         |                         |                         |
| Carrying amount at beginning of the year      | -                       | 16,668                  |
| Additions                                     | -                       | -                       |
| Disposals                                     | -                       | -                       |
| Depreciation                                  | -                       | (16,668)                |
| Carrying amount at end of the year            | <u>-</u>                | <u>-</u>                |
| <b>Leasehold improvements</b>                 |                         |                         |
| Carrying amount at beginning of the year      | 94,936                  | 145,298                 |
| Additions                                     | -                       | -                       |
| Disposals                                     | -                       | -                       |
| Depreciation                                  | (84,871)                | (50,362)                |
| Carrying amount at end of the year            | <u>10,065</u>           | <u>94,936</u>           |
| <b>Fixtures and fittings</b>                  |                         |                         |
| Carrying amount at beginning of the year      | 906,710                 | 1,006,407               |
| Additions                                     | 3,018                   | -                       |
| Disposals                                     | -                       | -                       |
| Depreciation                                  | (83,887)                | (99,697)                |
| Transfer to Property held for sale            | -                       | -                       |
| Carrying amount at end of the year            | <u>825,842</u>          | <u>906,710</u>          |
| <b>Computer and other equipment</b>           |                         |                         |
| Carrying amount at beginning of the year      | 203,482                 | 249,138                 |
| Additions                                     | 135,289                 | 115,568                 |
| Disposals                                     | -                       | (9,154)                 |
| Depreciation                                  | (79,972)                | (152,070)               |
| Carrying amount at end of the year            | <u>258,799</u>          | <u>203,482</u>          |
| <b>Net carrying amount at end of the year</b> | <u><u>5,134,303</u></u> | <u><u>5,272,632</u></u> |



**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**8. Intangible assets**

|                               | 2020      | 2019      |
|-------------------------------|-----------|-----------|
| <b>Computer software</b>      | <b>\$</b> | <b>\$</b> |
| At cost                       | 1,109,250 | 1,134,249 |
| Less accumulated depreciation | (672,204) | (445,770) |
|                               | 437,046   | 688,479   |

**9. Property held for sale**

|  | 2020      | 2019      |
|--|-----------|-----------|
| <b>Property held for sale</b>            | <b>\$</b> | <b>\$</b> |
| Carrying amount at beginning of the year | 581,354   | 581,354   |
| Carrying amount at end of the year       | 581,354   | 581,354   |

The Group intends to dispose of a freely held property asset located in Joondalup, Western Australia within the next 12 months.

A search is underway for a buyer. No impairment loss was recognised on the property held for sale at 30 June 2020. The directors of the Group expect that the fair value (estimated based on the recent market prices of similar locations) less costs to sell is higher than the carrying amount.

**10. Other Assets**

|                | 2020      | 2019      |
|----------------|-----------|-----------|
| <b>Current</b> | <b>\$</b> | <b>\$</b> |
| Prepayments    | 589,217   | 442,866   |
|                | 589,217   | 442,866   |

|                    | 2020      | 2019      |
|--------------------|-----------|-----------|
| <b>Non-Current</b> | <b>\$</b> | <b>\$</b> |
| Other Assets       | 1,034,239 | -         |
|                    | 1,034,239 | -         |

On the 1 July 2020, the group purchased the business Westland works. The deposit of \$1,034,238 was paid for the acquisition on the 30 June 2020.

**11. Trade and other payables**

|                             | 2020      | 2019      |
|-----------------------------|-----------|-----------|
|                             | <b>\$</b> | <b>\$</b> |
| Trade payables and accruals | 687,355   | 492,174   |
| Other payables              | 606,469   | 486,380   |
|                             | 1,293,824 | 978,554   |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**12. Interest bearing borrowings**

|                       | <b>2020</b>      | <b>2019</b> |
|-----------------------|------------------|-------------|
|                       | <b>\$</b>        | <b>\$</b>   |
| Short Term Borrowings | 387,564          | -           |
| Long Term Borrowings  | 1,382,144        | -           |
|                       | <u>1,769,708</u> | <u>-</u>    |

**BANK FACILITIES**

A drawdown facility of \$2,400,000 was available to the Group at the end of the financial year with the National Australia Bank. As at this date \$1,382,144 was in use. The facility is repayable in full at expiry date which is in 2022.

**13. Provisions**

|  | <b>2020</b>      | <b>2019</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| <b>Current</b>                           |                  |                  |
| Annual leave                             | 677,119          | 700,633          |
| Long service leave                       | 257,874          | 379,846          |
|  | <u>934,993</u>   | <u>1,080,479</u> |
| <b>Non-current</b>                       |                  |                  |
| Long service leave                       | 247,463          | 265,245          |
|  | <u>247,463</u>   | <u>265,245</u>   |
|  | <u>1,182,457</u> | <u>1,345,724</u> |
| <br>                                     |                  |                  |
| Carrying amount at beginning of the year | 1,345,724        | 1,363,270        |
| Arising during the year                  | 1,258,440        | 1,477,041        |
| Utilised during the year                 | (1,421,707)      | (1,494,587)      |
| Carrying amount at end of the year       | <u>1,182,457</u> | <u>1,345,724</u> |

**14. Commitments**

(a) Operating leases

Rental lease commitments being for the Midland, Welshpool, Butler and Mandurah premises are as follows:

|                              | <b>2020</b> | <b>2019</b>    |
|------------------------------|-------------|----------------|
|                              | <b>\$</b>   | <b>\$</b>      |
| Due within one year          | -           | 240,777        |
| Due within one to five years | -           | 156,697        |
|                              | <u>-</u>    | <u>397,475</u> |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**14. Commitments (continued)**

Motor Vehicle lease commitments:

|                              | 2020<br>\$ | 2019<br>\$ |
|------------------------------|------------|------------|
| Due within one year          | -          | 466,519    |
| Due within one to five years | -          | 179,491    |
|                              | -          | 646,010    |

From the 1 January 2019, the group has adopted AASB 16 and has recognised right of use assets. On 1 July 2020, the Group signed a rental lease for a premises in Bentley to pay \$82,000 per annum for a term of 3 years.

**15. Economic dependency**

Intelife Group Ltd received significant grants from the Federal Government of Australia and the Western Australian State Government. If these grants were not received, the Group would not be able to maintain the current level of services. The Board of Directors have no reason to believe that the funding from the Australian Government Department of Social Services (DSS) together with the State Department of Communities- Disability Services and the National Disability Insurance Agency (NDIA) will not continue.

**16. Contingent liabilities**

Lotterywest Grant Funding

Kirke Street, Balcatta

In 2012, the Lotteries Commission (trading as Lotterywest) provided \$1.7M in grant funding to Intelife Group to enable the purchase of premises at 11 Kirke Street, Balcatta. Lotterywest holds a caveat over the property to ensure that the site will only be used to provide appropriate services. The term of the agreement is 20 years from commencement, ceasing at 19<sup>th</sup> December 2031.

The recorded value of this Kirke Street property, net of depreciation on buildings, as at 30 June 2020 was \$3,325,471 (2019: \$3,346,271).

Fremantle Road, Gosnells

In 2007, Lotterywest provided \$750,000 of grant funding to Intelife Group to enable the purchase of premises at 10 Fremantle Road, Gosnells. Lotterywest holds a caveat over the property to ensure that the site will only be used to provide appropriate services. The term of the agreement is 15 years from commencement, ceasing at 21<sup>st</sup> July 2022.

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**16. Contingent liabilities (continued)**

The recorded value of this property, net of depreciation on buildings, as at 30 June 2020 was \$714,126 (2019: \$721,233).

Separate grant agreements were drawn up for the Kirke Street and Fremantle Road with the following terms:

- (i) Intelife will use the grant funds solely for the approved purpose.
- (ii) Should the agreement be terminated due to an Event of Default, Intelife must pay the Lotterywest an amount ascertainable by the following:

$$\text{Amount payable} = \text{Grant Funds} \times \frac{\text{Number of Days remaining in the Term}}{\text{Total Number of Days of the Term}}$$

**17. Capital grants (non-recurrent)**

|             | <b>2020</b>    | <b>2019</b> |
|-------------|----------------|-------------|
|             | \$             | \$          |
| Lotterywest | 147,842        | -           |
|             | <u>147,842</u> | <u>-</u>    |

The group received a grant from the Department of Communities to develop a rostering solution.

**18. Reconciliation of surplus / (deficit) from ordinary activities to net cash flows from operating activities**

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | \$             | \$             |
| Surplus / (deficit) from ordinary activities       | (220,322)      | 362,944        |
| Adjustments for:                                   |                |                |
| Depreciation, amortisation and write-off           | 1,247,248      | 573,465        |
| (Profit)/loss on sale of fixed assets              |                | 0              |
| (Increase)/decrease in trade and other receivables | (1,089,777)    | (445,939)      |
| (Increase)/decrease in prepayments                 | (104,591)      | (16,712)       |
| Increase/(decrease) in trade and other payables    | 440,020        | (263,365)      |
| Increase/(decrease) in provisions                  | (163,267)      | (17,546)       |
| Increase/(decrease) in recurrent grants in advance | 827,450        | 642,650        |
| <b>Net cash flow from operating activities</b>     | <u>936,760</u> | <u>835,497</u> |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**19. Income Statement**

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| <b>Revenue from ordinary activities</b>  |                   |                   |
| <b>Revenue - grants (government)</b>   |                   |                   |
| National Disability Insurance Scheme   | 9,758,396         | 4,367,774         |
| Department of Community Disability Service   | 3,184,849         | 9,188,483         |
| Department of Social Security  | 1,378,908         | 2,444,739         |
| Other grant income   | 2,459,250         | 12,091            |
|  | <b>16,781,403</b> | <b>16,013,087</b> |
| <b>Revenue - other</b>   |                   |                   |
| Business services  | 4,990,444         | 4,130,417         |
| Other fees and charges   | 239,551           | 522,793           |
| Interest received  | 97,874            | 180,640           |
|  | <b>5,327,868</b>  | <b>4,833,850</b>  |
| <b>Total revenue</b>   | <b>22,109,271</b> | <b>20,846,937</b> |
| <b>Expenditure from ordinary activities</b>  |                   |                   |
| Salaries and wages   | 17,596,221        | 15,907,329        |
| Vehicle expenses   | 792,667           | 1,722,126         |
| Marketing  | 85,753            | 55,002            |
| Cost of Services   | 590,096           | 446,509           |
| Administration   | 986,619           | 537,396           |
| Office (Facilities)  | 339,349           | 450,050           |
| Sundry   | 788,901           | 792,116           |
| <b>Total operating expenditure</b>   | <b>21,179,606</b> | <b>19,910,528</b> |
| <b>Surplus / (deficit) before depreciation, amortisation, write-off, interest and capital grants</b> | <b>929,664</b>    | <b>936,409</b>    |

**INTELIFE GROUP LTD**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**19. Income Statement (continued)**

|  | <b>2020</b>      | <b>2019</b>    |
|--|------------------|----------------|
|  | \$               | \$             |
| <b>Surplus / (deficit) before depreciation, amortisation, write-off, interest and capital grants</b> | 1,305,323        | 936,409        |
| Less:  |                  |                |
| Depreciation, amortisation and write-off   | 1,525,845        | 573,465        |
| Interest expense   |                  | -              |
| <b>Surplus / (deficit) from ordinary activities</b>  | <b>(220,322)</b> | <b>362,944</b> |

**20. Segment Reporting**

**(a) Operating Segment**

The Group operates under one operating segment, being employment and support services for people with disabilities.

The Group's principal activity is to develop and promote each of our clients as valued members of the community through life skills development, including employment.

The scope of this operating segment consists of:

- Supported employment for people with disabilities;
- Services to locate general employment opportunities, where appropriate, for people with disabilities;
- Lifeskills community access program; and
- Respite Support services.

**21. Subsequent Events**

On the 1 July 2020, the Group took possession of the business Westland Works for the consideration of \$1,900,000. The nature of the business is mulching, firebreaks, tree pruning and rail safeworking services.

**22. Members Guarantee**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$250 each towards meeting any outstanding obligations of the company. As at 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up is \$4,500.

# INTELIFE GROUP LTD

ABN 79 872 326 186

## STATEMENT BY THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2020

In the opinion of the Board of Directors of Intelife Group Ltd:

- 1) At the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, so long as the Australian Government Department of Social Services (DSS), together with the State Department of Communities - Disability Services and the National Disability Insurance Agency (NDIA) continue to provide funding to the Group as described in note 13; and
- 2) The attached financial statements satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board of Directors by:



Zenith Zeeman  
Chairman



Paul Finkelstein  
Director

Dated this 27<sup>th</sup> day of October, 2020  
Perth, WA

## Intelife Group Ltd

Independent auditor's report to members

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial report of Intelife Group Ltd ("Intelife"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and Board of directors' report.

In our opinion the financial report of Intelife Group Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the Intelife's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Intelife in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information

The directors are responsible for the other information. The other information comprises the information included in Intelife's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

#### ACCOUNTANTS & ADVISORS

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South Perth WA 6151

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South Perth WA 6951

Telephone: +61 8 6436 2888

[williambuck.com](http://williambuck.com)



## Independent auditor's report to members

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 and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of Intelife are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Intelife's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Intelife or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Intelife's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

## Independent auditor's report to members

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

CM

Conley Manifis  
Director

Dated this 27<sup>th</sup> day of October 2020