

INTELIFE GROUP LTD
ABN 79 872 326 186

Financial Statements

**For the Year Ended
30 June 2021**

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INTELIFE GROUP LTD

ABN 79 872 326 186

BOARD OF DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Board of Directors presents the financial statements of Intelife Group Ltd, for the financial year ended 30 June 2021.

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 Paul Finkelstein (resigned Nov 2020)
Mr Simon Rear	Ms Trudi Chesterton
Mrs Karen Whittle-Herbert	Mr Christopher How
Mr David Baughen	Ms Kristen Turnbull
Mr George Nicholls (appointed Nov 2020)	Mr Stuart Jenner (appointed Nov 2020)

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. The Group also delivers horticultural and railway protection services to assist in the funding of the Group's principal activity.

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 profit of \$2,272,885 (2020: loss of \$220,322). There was \$293,298 in capital grants for 2021 (2020: \$147,842). 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 1st October, 2021 Intelife accepted an offer for sale for the 11 Kirke Street, Balcatta property. On the 18th October, 2021 Intelife accepted an offer for sale (subject to due diligence) for 10 Fremantle Road, Gosnells property.

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 (resigned Nov 2020)

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

Zenith Zeeman – Board Chairman BScience (Nursing), MBA, GAICD

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 Graduate 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 – BComm, MBA, CA

Trudi is a Chartered Accountant with a Commerce Degree from the Australian National University, and an MBA from Deakin University. Trudi has over 25 years of international commercial, financial and operational experience gained across a number of industries and businesses from both the public and private sectors.

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 is the Chief Executive Officer of Bethanie and 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 – C.Eng MICE MStructE MSc BSc(Eng)

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.

Stuart Jenner, *MBA – HR Specialisation, GradDipMgt, BSc (Software Engineering)*

Stuart is General Manager – Capability & Culture at Gold Road Resources and an accredited executive and organisational coach, coaching leaders from the boardroom to the frontline. He was appointed to the Group’s Board in November 2020. Stuart has over 20 years of leadership and management experience across a diverse range of industries including Defence, Government (State & Federal), Mining & Resources, Retail, Construction, Not-for-Profit and Information Technology in Australia and Internationally.

George Nicholls, *Finance and Audit Committee Chair, CA*

George has over 20 years of finance experience across a diverse range of industries spanning telecommunications, resources and agriculture for both public and private companies. George was appointed a Director to the group’s Board in November 2020. He has experience across a broad range of accountabilities including core financial control, strategic and business planning, mergers and acquisitions, debt and capital markets, taxation, risk management and company secretary responsibilities. George is a fully qualified member of the Chartered Accountants of Australia and New Zealand and the Governance Institute of Australia

Meetings of Directors

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

	Directors Meetings	
	Number eligible to attend	Number attended
Paul Finkelstein	4	4
Trudi Chesterton	9	8
Zenith Zeeman	9	9
Karen Whittle-Herbert	9	7
Simon Rear	9	7
Christopher How	9	7
David Baughen	9	9
Kristen Turnbull	9	8
Stuart Jenner	5	5
George Nicholls	6	6

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 2021, 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 26th day of October, 2021

INTELIFE GROUP LTD
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

	<i>Note</i>	2021 \$	2020 \$
Revenue	20	25,991,923	22,109,271
Employee benefits expense		(18,281,844)	(17,596,221)
Depreciation, amortisation and write-offs		(2,203,011)	(1,242,248)
Finance costs		(78,630)	(55,581)
Other expenses		(3,448,851)	(3,583,385)
Surplus / (deficit) from ordinary activities before capital grants		1,979,587	(368,164)
Capital grants (non-recurrent)	18	293,298	147,842
Surplus / (deficit) from ordinary activities after capital grants		2,272,885	(220,322)

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 2021

	<i>Note</i>	2021	2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	8,695,768	7,883,085
Term Deposits	4	-	-
Trade and other receivables	5	2,414,084	2,207,058
Other Assets	11	555,347	589,217
Property held for sale	10	4,168,044	581,354
Total current assets		15,833,243	11,260,714
Non-current assets			
Property, plant and equipment	7	1,600,168	5,134,303
Intangible Assets	8	1,141,620	437,046
Other Assets	11	-	1,034,239
Right of use assets	6	666,466	888,219
Total non-current assets		3,408,254	7,493,807
Total assets		19,241,497	18,754,521
Liabilities			
Current liabilities			
Trade and other payables	12	1,596,975	1,293,824
Short term borrowings	13	-	387,564
Revenue in advance		494,530	2,469,338
Provisions	14	1,043,216	934,993
Other Provisions	15	300,000	
Lease Liabilities	6	282,076	449,806
Total current liabilities		3,716,797	5,535,524
Non-current assets			
Interest-bearing liabilities	13	1,382,144	1,382,144
Provisions	14	326,092	247,463
Lease Liabilities	6	418,634	464,445
Total non-current liabilities		2,126,870	2,094,052
Total liabilities		5,843,667	7,629,576
Net assets		13,397,830	11,124,945
Equity			
Retained earnings		13,397,830	11,124,945
Total equity		13,397,830	11,124,945

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 2021

	<i>Note</i>	2021	2020
		\$	\$
Strategic Business Investment Reserve			
Balance as at 1 July		-	166,104
Transfer to Retained Earnings		-	(166,104)
Balance as at 30 June		-	-
Retained Earnings			
Balance as at 1 July		11,124,945	10,922,652
Adjustment on adoption of AASB 1058		-	256,511
Transfer from Strategic Business Investment Reserve		-	166,104
Net profit/(loss) for the period		2,272,885	(220,322)
Balance as at 30 June		<u>13,397,830</u>	<u>11,124,945</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 2021

	<i>Note</i>	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from grants		14,516,421	16,834,946
Receipts from trade customers and clients		9,513,514	4,842,781
Receipts from vehicle usage fees		28,238	29,129
Payments to suppliers and employees		(21,227,749)	(20,812,389)
Interest received		45,214	97,874
Interest paid		(78,630)	(55,581)
Net cash from operating activities	19	2,797,008	936,760
Cash flows from investing activities			
Receipts from grants		-	880,935
Payment for equipment, fixtures and fittings		(445,117)	(114,110)
Payment for Other Assets		-	(1,034,239)
Consideration paid for Acquisition		(546,761)	-
Transfer from/(to) investments		-	5,950,000
Net cash from / (used in) investing activities		(991,878)	5,682,586
Cash flows from financing activities			
Proceeds from Borrowings		-	2,028,334
Repayment of Borrowings		(387,564)	(258,626)
Lease Repayments		(604,883)	(750,336)
Net cash from / (used in) financing activities		(992,447)	1,019,372
Net Increase/(decrease) in cash and cash equivalents		812,683	7,638,718
Cash and cash equivalents at the beginning of the year		7,883,085	244,367
Cash and cash equivalents at the end of the year	4	8,695,768	7,883,085

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

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Statement of significant accounting policies

Basis of preparation

The Group 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

The Group'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 2021

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 2021

1. Statement of significant accounting policies (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.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Statement of significant accounting policies (continued)

(e) Business combinations

The acquisition method of accounting is used to account for business combinations. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss. On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

(f) Intangible assets

Software

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 and other Comprehensive Income over their estimated useful life. It is assessed annually for impairment.

Customer Contracts

Customer Contracts acquired in a business combination and recognized separately from goodwill are initially recognised at their fair value at the acquisition date (which is regard as their cost).

Subsequent to initial recognition, customer contracts acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as customer contracts that are acquired separately.

(g) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

in profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(h) 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.

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.

(i) 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.

INTELLIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Statement of significant accounting policies (continued)

(i) 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.

(j) 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.

(k) 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.

INTELLIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Statement of significant accounting policies (continued)

(k) 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 – 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 2021

1. Statement of significant accounting policies (continued)

(k) 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 Jobkeeper 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.

Donations

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

(l) Expenditure

All expenditure is accounted for on an accrual basis.

(m) 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).

(n) 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.

(o) Comparative figures

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

(p) New and amended accounting policies adopted by the group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Statement of significant accounting policies (continued)

(p) New and amended accounting policies adopted by the group

The following new Accounting Standards and Interpretations are most relevant to the Group:

AASB 1060 General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Entities replaces the reduced disclosure requirements framework, whereby certain for-profit and not-for-profit entities will be required to prepare general purpose financial statements, rather than special purpose financial statements to enhance consistency, comparability, and transparency of financial reporting. This standard will become effective for the Group for financial years commencing on or after 1 July 2021.

(q) 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 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.

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Statement of significant accounting policies (continued)

Employee benefits (continued)

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

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 \$71,326 inc GST (2020: \$77,094), an entity associated with Simon Rear, for legal 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 2021 having authority for planning, directing and controlling the Group's activities, directly or indirectly (other than directors), are:

- Stephen Edgar, Chief Executive Officer
- Andrea Williams, General Manager – Support Services
- Annmarie Diamond, General Manager – Finance & Strategy

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

- Gordon Bryden, General Manager – Commercial Services

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 during the financial period 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

	2021	2020
	\$	\$
Cash at bank and in hand	738,862	425,551
Short term deposits	7,956,906	7,457,534
	<u>8,695,768</u>	<u>7,883,085</u>
	2021	2020
	\$	\$
Term Deposits	-	-
	<u>-</u>	<u>-</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

	2021	2020
	\$	\$
Trade receivables	1,538,433	867,253
Other receivables	998,667	1,543,543
Less Expected credit losses	(123,015)	(203,738)
	<u>2,414,084</u>	<u>2,207,058</u>

INTELIFE GROUP LTD
Notes to the Financial Statements
For the Year Ended 30 June 2021

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 (“ECLs”).

The Group applies a simplified approach in calculating the ECLs 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 ECLs 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

	2021	2020
	\$	\$
Right-of-use assets		
Right of use Assets	1,985,897	1,664,586
Less Accumulated Depreciation (Right of Use Assets)	(1,319,430)	(776,367)
	<u>666,466</u>	<u>888,219</u>

	2021	2020
	\$	\$
Lease Liabilities		
Current	282,076	449,806
Non-current	418,634	464,444
	<u>700,709</u>	<u>914,250</u>

Amounts recognised in the statement of profit or loss

	2021	2020
	\$	\$
Amortisation charge of right of use assets		
Buildings	194,936	215,680
Motor Vehicles	348,127	560,687
	<u>543,063</u>	<u>776,367</u>

INTELIFE GROUP LTD
Notes to the Financial Statements
For the Year Ended 30 June 2021

6. Leases (continued)

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

Borrowing costs	37,906
Total cash flow for leases	642,789

From 1 July 2020, the Group accounting policy was changed so that leases are recognised by applying the principles of AASB16 Leases. 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

	2021	2020
	\$	\$
Land, at cost	-	2,904,659
Buildings, at cost	-	1,395,341
Less accumulated depreciation (buildings)	-	(260,403)
	-	4,039,597
Motor vehicles, at cost	437,605	215,905
Less accumulated depreciation	(251,377)	(215,905)
	186,228	-
Leasehold improvements, at cost	163,315	157,648
Less accumulated depreciation	(150,339)	(147,583)
	12,977	10,065
Fixtures and fittings, at cost	2,175,807	2,144,342
Less accumulated depreciation	(1,433,098)	(1,318,500)
	742,709	825,842
Computer and other equipment, at cost	1,708,597	1,153,218
Less accumulated depreciation	(1,050,343)	(894,418)
	658,255	258,799
Net carrying amount	1,600,168	5,134,303

INTELIFE GROUP LTD
Notes to the Financial Statements
For the Year Ended 30 June 2021

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.

	2021	2020
	\$	\$
Land and buildings		
Carrying amount at beginning of the year	4,039,597	4,067,504
Depreciation/write off	(452,907)	(27,907)
Transfer to Property held for sale	(3,586,690)	
Carrying amount at end of the year	-	4,039,597
Motor vehicles		
Carrying amount at beginning of the year	-	-
Additions	-	-
Transfer from Other Assets	221,700	-
Depreciation	(35,472)	-
Carrying amount at end of the year	186,228	-
Leasehold improvements		
Carrying amount at beginning of the year	10,065	94,936
Additions	5,667	-
Disposals	-	-
Depreciation	(2,756)	(84,871)
Carrying amount at end of the year	12,977	10,065
Fixtures and fittings		
Carrying amount at beginning of the year	825,842	906,710
Additions	27,965	3,018
Transfer from Other Assets	3,500	
Disposals	-	-
Depreciation	(114,598)	(83,887)
Carrying amount at end of the year	742,709	825,842
Computer and other equipment		
Carrying amount at beginning of the year	258,799	203,482
Additions	365,095	135,289
Transfer to Intangible assets	(67,139)	-
Transfer from Other Assets	257,063	-
Depreciation	(155,570)	(79,972)
Carrying amount at end of the year	658,248	258,799
Net carrying amount at end of the year	1,600,168	5,134,303

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

8. Business Combination

		2021	2020
		\$	\$
Purchase Acquisition			
Cash consideration		1,646,761	
Deferred consideration	15	300,000	
Total purchase acquisition		<u>1,946,761</u>	<u>-</u>
Fair value of assets and liabilities			
At acquisition date			
Plant and equipment		482,263	-
Customer Contracts	9	1,153,164	
Employee Provisions		(72,104)	
Total identifiable net assets at fair value		<u>1,563,323</u>	
Goodwill on purchase			
Total purchase consideration		1,946,761	
Net assets acquired		(1,563,323)	
Goodwill on purchase		<u>383,437</u>	

On 1st July, 2020 the Group took possession of the business Westland Works for the consideration of \$1,946,761 made up of a cash consideration of \$1,646,761 and a deferred consideration of \$300,000. The nature of the business is mulching, firebreaks, tree pruning and rail safeworking services.

The Group has determined the acquisition constitute a business combination in accordance with the definitions and guidance provided by AASB 3 Business Combinations.

9. Intangible assets

		2021	2020
		\$	\$
Computer software			
At cost		1,177,048	1,109,250
Less accumulated depreciation		(923,044)	(672,204)
		<u>254,005</u>	<u>437,046</u>
Customer Contracts			
At cost		1,153,164	-
Less accumulated depreciation		(648,914)	-
		<u>504,250</u>	<u>-</u>
Goodwill			
At cost		383,437	-
Total Intangible Assets		<u>1,141,692</u>	<u>437,046</u>

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

9. Intangible assets (continued)

Amortisation methods and periods

The Group has changed the useful life of the software held to two years due to a change in the end life for support.

The Group amortises customer contracts over the life of the contract.

10. Property held for sale

	2021	2020
	\$	\$
Property held for sale		
Carrying amount at beginning of the year	581,354	581,354
Additional Property held for sale	3,586,690	-
Carrying amount at end of the year	4,168,044	581,354

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

Two of the three properties held for sale have received offers for sale after 30 June, 2021. On the 1st October, 2021 Intelife accepted an offer for sale for the 11 Kirke Street, Balcatta property. On the 18th October, 2021 Intelife accepted an offer for sale (subject to due diligence) for 10 Fremantle Road, Gosnells property. The directors of the Group expect that the fair value (estimated based on the recent sale offers and market prices of similar locations) less costs to sell is higher than the carrying amount.

11. Other Assets

	2021	2020
	\$	\$
Current		
Prepayments	499,751	527,890
Deposit Bonds Held	16,301	23,733
GST Receivable	39,294	37,594
	555,347	589,217
Non-Current		
Other Assets	-	1,034,239
	-	1,034,239

12. Trade and other payables

	2021	2020
	\$	\$
Trade payables and accruals	796,211	687,355
Other payables	800,764	606,469
	1,596,975	1,293,824

INTELIFE GROUP LTD
Notes to the Financial Statements
For the Year Ended 30 June 2021

1,596,975	1,293,824
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13. Interest bearing borrowings

	2021	2020
	\$	\$
Short Term Borrowings	-	387,564
Long Term Borrowings	1,382,144	1,382,144
	<u>1,382,144</u>	<u>1,769,708</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.

14. Provisions

	2021	2020
	\$	\$
Current		
Annual leave	753,642	677,119
Long service leave	289,575	257,874
	<u>1,043,218</u>	<u>934,993</u>
Non-current		
Long service leave	326,092	247,463
	<u>326,092</u>	<u>247,463</u>
	<u>1,369,310</u>	<u>1,182,457</u>
Carrying amount at beginning of the year	1,182,457	1,345,724
Arising during the year	883,141	1,258,440
Utilised during the year	(696,288)	(1,421,707)
Carrying amount at end of the year	<u>1,369,310</u>	<u>1,182,457</u>

15. Other Provisions

	2021	2020
	\$	\$
Other Provisions	300,000	-
	<u>300,000</u>	<u>-</u>

A deferred payment of \$300,000 for the acquisition of Westland Works is contingent on performance parameters until the end of June 2022.

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

16. 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.

17. Contingent liabilities

Lotterywest Grant Funding

On the 21st December, Lotterywest agreed to terminate the Building Grant Agreement between Intelife Group Ltd and the Commission. Lotterywest agreed to relinquish its equitable mortgage over the Land at 11 Kirke Street, Balcatta and Fremantle Road, Gosnells.

City of Stirling

In 2012, the City of Stirling approved the development of 11 Kirke Street, Balcatta based on a number of conditions that include restricting the land to be only used for the purposes of club premises and offices.

18. Capital grants (non-recurrent)

	2021	2020
	\$	\$
Lotterywest	-	147,842
Department of Social Services	293,298	
	293,298	147,842

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

	2021	2020
	\$	\$
Surplus / (deficit) from ordinary activities	2,272,885	(220,322)
Adjustments for:		
Depreciation, amortisation and write-off	2,182,083	1,247,248
(Profit)/loss on sale of fixed assets		
(Increase)/decrease in trade and other receivables	(751,903)	(1,089,778)
(Increase)/decrease in prepayments	35,570	(104,591)
Increase/(decrease) in trade and other payables	301,451	440,020
Increase/(decrease) in provisions	186,853	(163,267)
Increase/(decrease) in recurrent grants in advance	(1,429,931)	827,450

INTELIFE GROUP LTD
Notes to the Financial Statements
For the Year Ended 30 June 2021

	2,797,008	936,760
Net cash flow from operating activities		
20. Income Statement		
	2021	2020
	\$	\$
Revenue from ordinary activities		
Revenue - grants (government)		
National Disability Insurance Scheme	9,382,570	9,758,396
Department of Community Disability Service	701,561	3,184,849
Department of Social Security	272,668	1,378,908
Other grant income	5,296,256	2,459,250
	15,653,055	16,781,403
Revenue - other		
Business services	10,157,452	4,990,444
Other fees and charges	136,203	239,551
Interest received	45,214	97,874
	10,338,868	5,327,868
Total revenue	25,991,923	22,109,271
Expenditure from ordinary activities		
Salaries and wages	18,281,844	17,596,221
Vehicle expenses	699,796	792,667
Marketing	65,212	85,753
Cost of Services	714,467	590,096
Administration	464,241	986,619
Office (Facilities)	412,250	339,349
Sundry	1,092,885	788,901
Total operating expenditure	21,730,694	21,179,606
Surplus / (deficit) before depreciation, amortisation, write-off, interest and capital grants	4,261,229	929,664
Less:		
Depreciation, amortisation and write-off	2,203,011	1,525,845
Interest expense	78,630	
Surplus / (deficit) from ordinary activities	1,979,587	(220,322)

INTELIFE GROUP LTD

Notes to the Financial Statements

For the Year Ended 30 June 2021

21. 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; and
- Lifeskills community access program.

22. Subsequent Events

On the 1st October, 2021 Intelife accepted an offer for sale for the 11 Kirke Street, Balcatta property. On the 18th October, 2021 Intelife accepted an offer for sale (subject to due diligence) for 10 Fremantle Road, Gosnells property.

23. 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 2021, 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 2021

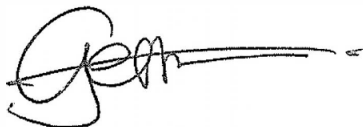
In the opinion of the Board of Directors of Intelife Group Ltd:

- 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 16; 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



George Nicholls
Director

Dated this 26th day of October, 2021
Perth, WA