InLife Independent Living

ABN 92 606 740 836

ANNUAL FINANCIAL REPORT

30 JUNE 2020

DIRECTORS' REPORT

The Directors present their report together with the financial report of InLife Independent Living Limited ("the Company") for the financial year ended 30 June 2020, and the auditor's report thereon.

DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report:

Name		Appointed	Ceased
Ms. Wendy Brooks	Chairperson	29 June 2015	–
Mr. David Clarke	CEO	29 June 2015	–
Ms. Gabrielle Bell	Director & Company Secretary	29 June 2015	–
Mr. Anthony Vlavianos	Director	9 February 2017	–
Mr. Edmund Wong	Director	17 October 2019	
Dr. George Taleporos	Director	28 July 2020	
Ms. Michelle Dixon	Director	1 September 2020	

WHAT WE DO

The Company was founded on 29 June 2015 as a not-for-profit public company limited by guarantee. Our mission is to provide high quality, reliable and hassle-free personal care and support services to people with disability, and to help connect them to services, opportunities and communities that enhance their lives.

A REVIEW OF OUR OPERATIONS FOR FY20

Key activities

Key activities in this financial year included:

- Renewed our registration with the NDIS Quality and Safeguards Commission, including to gain accreditation for the Supported Independent Living and High Intensity Daily Personal Activities registration groups.
- Expanded our core management team from 14 to 26 employees, including to expand the size of our client service management team and invest in HR, Quality, Finance, and IT roles to strengthen our core operational capabilities.
- Invested in a culture of continuous quality improvement to maintain and enhance service delivery standards, including to enhance our incident reporting procedures and provide comprehensive positive behavior support training to a number of client teams.
- Managed the impacts of the COVID-19 pandemic on our clients, staff, and operations. This included:
    - As an essential service, we remained open and continued to provide services.
    - From mid-March we commenced the distribution of personal protective equipment (PPE), started remote working for our core management team and introduced a special leave policy for our casually employed frontline staff.
    - As the pandemic progressed, we adapted our approach to the provision and use of PPE in line with evolving guidance and requirements of state and federal governments and always maintained a rigorous focus on communications and training of our staff.

  We are pleased to note that no confirmed cases of COVID-19 had been recorded among clients or staff at the date of this report.

- Continued to grow the number of clients we support and support worker team members we employ, with year-on-year revenue increasing by 143%.

Financial position and operating results for the year

For the year ending 30 June 2020, the Company had revenue of $12,557,733 (2019: $5,166,289) and a surplus of $1,622,587 (2019: surplus of $212,716). The financial position as at 30 June 2020 is net assets of $1,895,019 (2019: $272,432).

Significant changes to the state of affairs

No significant changes to its state of affairs occurred in the year to 30 June 2020.

Events subsequent to reporting date

In the interval between the end of the financial year and the date of this report, The Company has employed a company secretary consultant, Ms Rachel Portelli, to undertake secretariat functions for the board. This arrangement commenced on 1 July 2020.

The impacts of the COVID-19 pandemic continued to be felt in the interval between the end of the financial year and the date of this report, including the Victorian Government's announcement of stage 4 restrictions in metropolitan Melbourne. In the opinion of the Directors of the Company, these events have not significantly affected the financial results or the state of affairs of the Company.

No other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations, the results of those operations, or the state of affairs of the Company, in future financial years, has arisen.

Likely developments

The Company will continue to focus on growing our client base for personal care and support services while maintaining industry quality standards.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of Board committees) held during the year ended 30 June 2020 and the number of meetings attended by each director.

Directors	**Board**	
	A[1]	B[2]
Mr. Anthony Vlavianos	9	9
Mr. David Clarke	9	9
Mr. Edmund Wong (Appointed 17 October 2019)	6	6
Ms. Gabrielle Bell	9	9
Ms. Wendy Brooks	9	9

[1] A = number of meetings eligible to attend
[2] B= number of meetings attended

COMPANY PARTICULARS

Registered office

InLife Independent Living
Level 5, 267 Collins Street
Melbourne, VIC 3000

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 liability of each member (during the time or within one year afterwards) is limited to $10.00.

Proceeding on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company 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 Company was not a party to any such proceedings during the year.

Indemnification

The Company has agreed to indemnify the directors of the Company against all liabilities to another person that may arise from their position in their Company to the extent permitted by the law.

Insurance premiums

During the financial year, the Company paid premiums to insure directors and officers of the Company against certain liabilities. The contract prohibits disclosure of the nature of the liabilities and the amount of premium paid.

Lead auditor's independence declaration

A copy of the auditor's independence declaration as required under subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 6.

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

Ms. Wendy Brooks
Chairperson

Mr. David Clarke
Director

Melbourne

Date: 23 October 2020

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Deloitte Touche Tohmatsu
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The Board of Directors
InLife Independent Living Limited
WeWork, Level 22, 120 Spencer Street
Melbourne VIC 3000

23 October 2020

Dear Board Members

InLife Independent Living Limited

In accordance with subdivision 60-C section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of InLife Independent Living Limited.

As lead audit partner for the audit of the financial statements of InLife Independent Living Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Deloitte Touche Tohmatsu

STATEMENT OF SURPLUS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue	A1	12,557,733	5,166,289
Direct client support		(8,134,327)	(3,510,016)
Coordination of supports		(1,253,353)	(746,708)
Marketing and promotion		(199,140)	(90,422)
Administration expenses		(1,220,988)	(601,143)
Depreciation		(121,953)	(5,175)
Total operating expenses	A2	(10,929,761)	(4,953,464)
Results from operational activities		1,627,972	212,825
Finance expenses	B1(vi)	(5,385)	(109)
Surplus before income tax		1,622,587	212,716
Income tax expense		-	-
Surplus for the year		1,622,587	212,716
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		1,622,587	212,716

The Statement of Surplus and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Ref.	2020 $	2019 $
Current assets			
Cash and cash equivalents	B1(ii)	1,732,039	310,880
Trade and other receivables	B1(ii)	1,047,616	485,664
Other Assets	B1(ii)	69,647	47,300
Total current assets		2,849,302	843,844
Non-current assets			
Plant & Equipment	B1(v)	134,528	43,590
Right of use asset	B1(vi)	376,234	-
Total non-current assets		510,762	43,590
Total assets		3,360,064	887,434
Current liabilities			
Trade and other payables	B1(iii)	838,556	398,265
Provisions	B1(iii)	159,783	126,953
Lease Liability	B1(vi)	237,011	-
Total current liabilities		1,235,350	525,218
Non - current liabilities			
Provisions	B1(iv)	88,169	89,784
Lease Liability	B1(vi)	141,526	-
Total Non - current liabilities		229,695	89,784
Total liabilities		1,465,045	615,002
Net assets		1,895,019	272,432
Equity			
Retained surplus		1,895,019	272,432
Total equity		1,895,019	272,432

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Retained surplus $	Total $
Balance as at 1 July 2018	59,716	59,716
Surplus for the year	212,716	212,716
Total comprehensive income	212,716	212,716
Balance as at 30 June 2019	272,432	272,432
Surplus for the year	1,622,587	1,622,587
Total comprehensive income	1,622,587	1,622,587
Balance as at 30 June 2020	1,895,019	1,895,019

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
Cash flows from operating activities		
Receipts from customers	12,050,987	4,952,826
Payments to suppliers and employees	(10,414,725)	(4,826,841)
Interest paid	(5,385)	(109)
Interest received	869	-
Net cash provided by operating activities	1,631,746	125,876
Cash flows from investing activities		
Acquisition of Property, plant and equipment	(113,882)	(38,317)
Net cash (used in) investing activities	(113,882)	(38,317)
Cash flows from financing activities		
Lease Repayments	(96,705)	-
Net cash (used in) financing activities	(96,705)	-
Net increase in cash and cash equivalents	1,421,159	87,559
Cash and cash equivalents at the beginning of the financial year	310,880	223,321
Cash and cash equivalents at the end of the financial year	1,732,039	310,880

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

A. WHERE OUR FUNDS COME FROM AND HOW THEY ARE SPENT

This section explains the main sources of our revenue and expenditure and how those are measured in accordance with relevant accounting standards

A1. OUR SOURCES OF REVENUE

Our primary source of revenue is clients with a disability who receive funding for disability supports from government agencies, including NDIS, DHHS and TAC.

	2020	2019
Revenue	$	$
Personal care and support services	12,375,713	5,016,543
Interest income	869	462
Grants and donations revenue	70,168	97,031
Financial plan management	41,464	22,890
Other revenue	69,519	29,363
Total revenue	**12,557,733**	**5,166,289**

What are the relevant accounting policies?

Revenue Recognition

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that economic benefit of the transaction will flow to the Company and the specific criteria relating to the type of revenue, outlined below, has been meet.

Revenue is measured at fair value of the consideration receive or receivable and is presented net of any discounts or rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue in relation to the delivery of services is recognised when the delivery of the services has been completed.

Grant revenue is recognised in the statement of surplus and other income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to The Company and the amount of the grant can be reliably measured.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised upon receipt.

A2. WHERE THE FUNDING HAS BEEN SPENT

InLife's mission is to provide high quality personal care and support to people with disability, and to help connect them to services, opportunities and communities that enhance their lives. We have incurred the following expenses relating to these activities over the course of this financial year.

(i). Operating expenses

	2020 $	2019 $
Employee expenses	10,020,502	4,409,580
Insurance	38,250	88,344
Rent	138,884	77,930
Professional services fees	153,655	134,081
General administrative expenses	456,517	238,354
Depreciation	121,953	5,175
Total operating expenses	**10,929,761**	**4,953,464**

(ii). Auditor's remuneration

The auditor of the Company is Deloitte Touche Tohmatsu. Amounts received or due and receivable by Deloitte Touche Tohmatsu are listed below:

	2020 $	2019 $
Auditing of annual financial report	10,000	-
Other services rendered	-	-
Total auditor's remuneration	**10,000**	**-**

B. HOW DO WE MANAGE OUR RISK AND WORKING CAPITAL?

This section explains the risk that the Company is exposed to, the policies adopted to reduce those risks and provides the users with information on how we manage our working capital.

B1. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- Safeguard our ability to continue as a going concern to continue to provide services to people with disability; and
- Maintain an optimal capital structure to support efficient and effective operations.

(i). Working Capital

	2020 $	2019 $
Current assets	2,849,302	843,844
Current liabilities	(1,235,350)	(525,218)
Net current assets	1,613,952	318,626

(ii). Current Assets

	2020 $	2019 $
Cash and cash equivalents		
Cash management accounts	4,772	39,473
Cash at bank	1,727,267	271,407
Total cash and cash equivalents	1,732,039	310,880
Trade and other receivables		
Trade receivables	962,102	507,060
Provision for doubtful debts	(28,340)	(47,363)
GST receivables	25,035	11,455
Accrued revenue	88,819	14,512
Total Trade and other receivables	1,047,616	485,664

Provision for Doubtful Debts

Closing Balance 30 June 2018	-
Charges for Period	47,363
Amounts Written Off	-
Carrying Amount at 30 June 2019	47,363
Charges for Period/(Amounts written back)	(19,023)
Amounts Written Off	-
Carrying Amount at 30 June 2020	28,340

	2020	2019
Other Assets	$	$
Security Deposits	63,917	45,808
Prepayments	5,730	1,492
Total Other Assets	69,647	47,300

(iii). Current Liabilities

	2020	2019
Trade and other payables	$	$
Trade payables	87,799	25,334
Employee obligations	500,552	230,480
Accrued wages	71,225	119,109
Unearned income	30,995	3,883
Amounts payable to the NDIS	129,731	-
Other payables	18,254	19,459
Total Trade and other payables	838,556	398,265
Lease Liability	237,011	-
Other employee benefits provision	-	77,154
Provision for rebates	7,727	8,125
Provision for long service leave	39,022	-
Provision for annual leave	113,034	41,674
Total Provisions	159,783	126,953

(iv). Non- Current Liabilities

Lease Liability	141,526	-
Provision for long service leave	88,169	89,784
Total Non-Current Provisions	88,169	89,784

(v). Non-Current Assets

	Computer Equipment	Office Equipment	Total
	$	$	$
Carrying amount 30 June 2018	13,922	-	13,922
Additions	25,014	13,303	38,317
Disposal	(3,474)	-	(3,474)
Depreciation Expense	(4,964)	(211)	(5,175)
Carrying amount 30 June 2019	30,498	13,092	43,590
Additions	95,654	18,228	113,882
Disposal	-	-	-
Depreciation Expense	(20,070)	(2,874)	(22,944)
Carrying amount 30 June 2020	106,082	28,446	134,528
Cost	131,116	31,531	162,647
Accumulated Depreciation	(25,034)	(3,085)	(28,119)
Written Down Amounts	-	-	-
Carrying amount 30 June 2020	106,082	28,446	134,528

(vi) Leases

On 1 February 2020, InLife entered into a lease agreement for office space at Level 19 120 Spencer Street, Melbourne. At completion of the lease the ownership reverts to WeWork Pty Ltd. The commitments are amortised on a straight in line basis with the residual commitments present in the below table. There are no options to consider in relation to the WeWork agreement.

	2020	**2019**
	$	$
Current (less than 1 year)	237,011	-
Non-Current (greater than 1 year)	141,526	-

The right of use and lease liability for years 1 to 3 is as follows:

	Year 1	**Year 2**	**Year 3**
Right of use asset	**$**	**$**	**$**
Beginning ROU Balance	475,243	376,234	138,613
Depreciation	(99,009)	(237,621)	(138,613)
Ending ROU Balance	376,234	138,613	-
Lease Liability			
Beginning Lease Payments	475,243	376,234	138,613
Period Interest Expense	(5,385)	(8,005)	(1,400)
Capital Lease Repayments	(96,705)	(237,011)	(141,526)
Ending Lease Payment	378,537	141,526	-

What are the relevant accounting policies?

Financial assets measured at amortised cost

A financial asset is to be measured at amortised cost using the effective interest method and net of any impairment loss, where:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest.

The Company's investments in term deposits and its receivables are measured at amortised cost as set out below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables are generally due for settlement within 14 days.

Collectability of receivables is revised on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

Plant and equipment (P&E)

P&E are carried at cost basis less depreciation and any impairment loss. The carrying amount of P&E is reviewed annually by directors to ensure it is nothing excess of the recoverable amount of those assets. If impairment indicators exist, the recoverable amount is assessed on the basis of expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net class flows are discounted to present values in determining the recovering amount.

The depreciation amount of P&E assets is calculated on a straight-line basis over the useful lives to Inlife, commencing from the time the asset is first held. The depreciation rates are set out in the below Table 1.

Depreciation method, useful lives, and residual values are reviewed at the completion of each reporting period.

Asset Category	Useful Life
Office Equipment	2 - 15 years
Computer Equipment	2 - 5 years

Leases

InLife assesses whether a contract is or contains a lease, at inception of the contract.

InLife recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, as well variable lease payments that depend on an index or rate, any amount expected to be payable by the lessee under residual value guarantees, and any expected payments of penalties or dismantling costs on terminating the lease. The lease liability is presented as a separate line in the consolidated statement of financial position. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value in similar economic environment with similar terms and conditions.

For all other leases (Short term and/or low value), InLife recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 14 days of recognition.

Employee benefits

(i) Annual leave. Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave. The liability for long service leave is recognised in the provision for employee benefits and measured, considering the probability of service, as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Leave accrued for staff who fall under *The Long Service Benefits Portability Act*, along with staff who have reached the minimum 7 years of service requirement, have their leave recognised as current. The residual balance has been recognised as noncurrent to reflect the requirement of a minimum 7 years' service.

C. OTHER INFORMATION

This section covers other information that is not directly related to items in the financial statements, including information about related party transactions, significant accounting policies not disclosed elsewhere and other statutory information.

C1. RELATED PARTIES

Directors

The names of persons who were directors of the Company at any time during this financial year and unless otherwise indicated were directors for the entire period:

Name		Appointed	Ceased
Ms. Wendy Brooks	Chairperson	29 June 2015	–
Mr. David Clarke	CEO	29 June 2015	–
Ms. Gabrielle Bell	Director & Company Secretary	29 June 2015	–
Mr. Anthony Vlavianos	Director	9 February 2017	–
Mr. Edmund Wong	Director	17 October 2019	–

Director and key management personnel compensation

Compensation paid or payable to directors of the Company is as follows:

	2020 $	2019 $
CEO compensation	233,310	224,414
Company Secretary compensation	22,923	16,921
Company Chairperson	13,900	-
Other Director Fees	6,132	-
Total employee benefits	276,265	241,335

CEO compensation – historical period

During the year, The Company made the final payments, totaling $77,154, to the CEO for current and prior commitments to the Company, pursuant to clause 6A.3 of the CEO Employment Contract signed on 19 July 2018. No further amounts remain outstanding under the terms of that agreement.

Related Party Transactions

Under clause 8.3 of the Company's Constitution, the Company may pay a member or officer for services they have provided at fair and reasonable rates, or rates more favorable to the Company, where the arrangement has the prior written approval of the Board and the amount payable is not more than an amount that would be payable on reasonable commercial terms.

During the year Wendy Brooks Consulting Pty Ltd (Wendy Brooks - Chairperson) was engaged to assist with consulting services for strategic planning and policy writing. The total amount was $10,340, of which none is outstanding at the reporting date. All transactions were at arm's length.

During the year Joanna Phipps, partner of David Clarke (CEO) was employed into the role of Quality and Policy Manager for which she was paid a total of $69,409. The employee was recruited at arm's length, in line with InLife employment guidelines and constitution.

There were no other related party transactions during the year to 30 June 2020.

C2. SUBSEQUENT EVENTS

In the interval between the end of the financial year and the date of this report, The Company has employed a company secretary consultant to undertake all secretariat roles of the board, which commenced on 1 August 2020, with the incumbent, Gabrielle Bell, stepping down from the duties of Company Secretary.

Following the Victorian Government's announcement of stage 4 restrictions in metropolitan Melbourne, The Company's management have implemented safety measures for all clients and staff to ensure we protect against the threat of COVID-19. These actions, along with clients funding being secured through the NDIS has seen the impact of these restrictions negated on The Company's overall financial performance.

No other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations, the results of those operations, or the state of affairs of the Company, in future financial years, has arisen.

C3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Reporting entity

InLife Independent Living Ltd ("the Company") is a not-for-profit public company limited by guarantee. The address of the Company's registered office is Level 5, 267 Collins Street, Melbourne, VIC 3000, Australia.

Basis for preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute financial statements to the members of the Company. The directors have determined that the statements adopted are appropriate to meet the needs of the members of the Company.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared on a historical cost basis and are measured at fair value.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Critical accounting estimates

The preparation of financial statements in conformity with AASBs requires management to use certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no critical accounting estimates and judgements as at 30 June 2020.

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 and in any future periods affected.

Income tax

The Company is a tax-exempt entity for the purposes of Division 50 of the Income Tax Assessment Act 1997. In addition, the Company is a rebateable employer for the purposes of section 65J of the Fringe Benefits Assessment Act 1986.

New, revised or amending Accounting Standards and Interpretations adopted

The company has applied the following standards and amendments for the first time for their annual reporting commencing on the 1 July 2019.

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

In the current year, the Company has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers which is effective for an annual period that begins on or after 1 January 2019.

Overview of AASB 1058 and AASB 15 requirements

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is that when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to any excess above the related amounts that would be immediate income recognition under AASB 1058.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

General impact of application

The Company has applied the new income requirements to its main revenue/income streams as listed below:

1. Disability services.
2. Grants and Donations.

Revenue recognition

AASB 1058 requires that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

The Company has conducted an analysis of their Disability Services and Grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15.

For those contracts that are not enforceable, or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Based on an analysis of the Company's contracts all revenue has been recognised in line with AASB 15 and in line with specific conditions within the grant contracts.

Financial statement impacts

The Company's accounting policies for its revenue streams are disclosed in detail in note A.

The application of AASB 15 and AASB 1058 has not had an impact on the financial position and/or financial performance of the Company. The amount of adjustment for each financial statement line item affected by the application of AASB 15 and AASB 1058 is nil.

AASB 16 Leases

In the current year, the Company has applied AASB 16 Leases that is effective for annual periods that begin on or after 1 January 2019. AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of AASB 16 on the Company's consolidated financial statements is described below.

Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies the definition of a lease and related guidance set out in AASB 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of AASB 16, the Company has carried out an implementation project. The project has shown that the new definition in AASB 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

Impact on Lessee Accounting

Former operating leases

AASB 16 changes how the Company accounts for leases previously classified as operating leases under AASB 17.

Applying AASB 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments.
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss.
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within ‘other expenses’ in profit or loss.

Financial impact of the initial application of AASB 16

The Company’s accounting policies for its Leases are disclosed in detail in note B.

As at 1 July 2019, the Company had two leases in relation to office premises at Level 22 120 Spencer Street and Ground Floor, 200 Malop Street Geelong. Both leases had less than 12 months left to expiry and the Company elected to apply the accounting standard transition exemption for leases of this nature. Consequently, there were no balances recognised on transition into the new standard.

As at 1 February 2020 the Company entered into a new lease agreement for office premises at Level 19 120 Spencer Street, Melbourne. These premises and lease terms were different to those detailed above (i.e. the lease agreements were different and not extended). We have disclosed the accounting impact of this new lease in Note B1(vi)

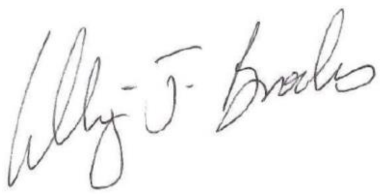
DIRECTORS' DECLARATION

In the directors' opinion:

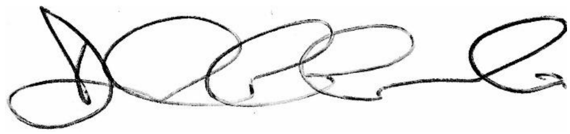
- The Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in notes to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (the ACNC Act) requirements to prepare and distribute financial statements to the members of the Company;
- The attached financial statements and notes comply with the ACNC Act and other mandatory professional reporting requirements.
- The attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Ms. Wendy Brooks
Chairperson



Mr. David Clarke
Director

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Independent Auditor's Report to the members of
InLife Independent Living Limited

Opinion

We have audited the financial report, being a special purpose financial report, of InLife Independent Living Limited (the "Company"), which comprises the statement of financial position as at 30 June 2020, the statement of surplus and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note C4, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note C4 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *ACNC Act*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Financial Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note C4 to the financial report is appropriate to meet the requirements of the *ACNC Act* and the needs of the members. The Directors' responsibility also includes 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 the ability of the Company 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 the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants
Melbourne, 23 October 2020