PORT PHILLIP COMMUNITY GROUP LTD

ABN 34 844 707 349

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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PORT PHILLIP COMMUNITY GROUP LTD
ABN 34 844 707 349
DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 30 June 2021.

Directors

The names of Directors in office at any time during or since the end of the year are:

Michael McGann (Chair)

Liz (Elizabeth) Jennings (Treasurer) Elected 17 November 2020

Karen Sait (Company Secretary)

Gina Fiske

Peter Giles

Claire Edmanson

Susanne Birks

David Weinberger

Bernard Joffe (Past Treasurer) Retired 17 November 2020

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of the Company Secretary at the end of the financial year.

Karen Sait

Principal Activities

The principal activities of the company during the financial year were:

• Emergency relief, material aid and financial counselling
• Community development and personal advocacy
• Creative, recreational and social groups and activities
• Information, referral and support
• Skills development and pathways to further education and employment

There were no significant changes in the principal activities of the Company during the year.

The Company's Objectives

The Company provides centre-based and outreach services to people from a range of backgrounds usually with complex issues, and financial hardship or poverty. The Company operates from four sites across the City of Port Phillip and works in partnership with the Cities of Glen Eira and Stonnington regarding education services.

The Company’s short-term and long-term objectives are to work in partnership with funders, local, state and federal governments, key stakeholders and residents including families, to positively impact lives through facilitating and improving equity, participation and inclusion.

The Company's short to medium term objectives are:

• Consulting with relevant stakeholders including consumer representatives, to develop effective services and initiatives that demonstrate positive social value and social capital.

• Increasing access and participation for clients and communities through community engagement, development and capacity building initiatives.

• Leading and/or participating in advocacy campaigns and activities, regarding inequity, exclusion and poverty to reduce disadvantage and to foster health, wellbeing and inclusion.

• Providing social connections through groups and activities that are creative, recreational and social.

• Reducing the impacts of disadvantage and poverty by providing immediate information, referral, practical supports and tangible assistance.

The Company's long-term objectives are:

• A fair and just society that values all people as reflected in a diverse, happier, safer, tolerant and educated community.

• Positive outcomes for residents of the City of Port Phillip that are the majority of the Company's client cohorts, who are socially isolated, marginalised and / or vulnerable through the provision of services and programs that lead to community belonging, engagement, resilience, social responsibility and happier lives.

• Through diverse partnerships and targeted programs and services, proactively contributing to the City of Port Phillip as a diverse, healthy, and socially responsible place to live in, belong to, and to also visit.

Strategy for achieving short and long-term objectives

To achieve its stated objectives, the Company has adopted the following strategies:

• Delivering a range of centre-based and outreach programs and services including:
-> Linking people into generalist and specialist agencies to better address their specific housing, health and other needs.
-> Providing on a daily basis, food vouchers, free meals, fresh food, free telephone calls and telephone cards, travel passes, pharmacy vouchers, and basic hygiene products.
-> Facilitating education and employment skills and opportunities under the ACFE/Learn Local network, through courses such as literacy and numeracy; social and interpersonal skills; digital communication and computer skills; and art and performance.
-> Providing meals, social connections and education to residents living in Rooming Houses in the City of Port Phillip.
-> Providing financial counselling, back-to-school supports, access to no interest loans, and lodging tax returns.
-> Facilitating recreation and fitness groups (bush walking, tennis, gym), art, music and performance activities.
-> Organising street parties to give people opportunities to meet in their neighbourhoods to promote connections and friendships.

• Engaging with people and communities on low income, who are living in insecure housing and/or are socially isolated, to develop their networks, skills and resilience; this may be through social meals, education, performance and/or creative activities.

• Using social media to provide information and education, to connect people, and to promote positive outcomes and pride in achievements.

• Providing staff and volunteers with a range of opportunities and experiences, to enhance their skills and knowledge.

• Working in partnership with community, governments and businesses, to promote a fair and just society that values all people and is reflected in a diverse, happier, safer, tolerant and well educated and resourced community.

Information on Directors

Michael McGann, Chair

Michael has been a board member since 2016.

Michael is currently the Social Enterprise Manager, Business Development for the Sacred Heart Mission.

From 2013 to 2019 Michael was the Business Development Manager of skysdesign, a graphic design social enterprise as part of the parent housing organisation, St Kilda Community Housing.

Michael's expertise and experience include financial services, consulting and social enterprise development and management. Michael understands the challenges that organisations face in developing, running and growing social enterprises. He proactively promotes the roles that creativity and connections play to ensure that social enterprises are sustainable.

Bernard Joffe, Treasurer (Retired 17 November 2020)

Bernard has been a board member since June 2012.

Bernard has a Bachelor of Commerce and is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand.

Bernard has 35 years of experience in the financial services industry and generously shares this expertise with PPCG through his role as Treasurer.

Prior to joining the Board and in addition to his current board role, Bernard has for the past 14 years, volunteered his time to assist people on low incomes to complete their tax returns as part of the annual PPCG Tax Help Program.

Karen Sait, Company Secretary

Karen joined PPCG as Executive Officer and Company Secretary in January 2016.

Karen has a Masters in Primary Health, Bachelor of Social Work, and Bachelor of Arts.

Karen's professional career spans business, community, and human services. She has held senior management and leadership positions across the public sector, community health and local government (as a past elected Councillor of the City of Port Phillip).

Karen brings to the Company a range of expertise and experience in areas that include management, strategy, partnerships and development. Throughout her career Karen has implemented several programs and services with a focus on innovation and social inclusion for people and communities on low income, which are disadvantaged, isolated and / or marginalised.

Claire Edmanson, Board Member

Claire has been a board member since 2018.

Claire has a Bachelor of Social Work.

Claire is the Program Manager Youth Services, Salvation Army Youth Services supporting the delivery of a range of client services and case management in both St Kilda and Fitzroy.

Claire has worked at the Salvation Army since 2010 in a variety of roles including after-hours refugee support, and intensive outreach case management. Claire has expertise and experience working in a crisis setting with a focus on high and complex needs of young people and families.

Information on Directors (continued)

David Weinberger, Board Member

David has been a board member since 2018.

David is a Principal Lawyer and the Co-Head of the commercial dispute resolution department at KCL Law (formerly Kliger Partners Lawyers). He has handled matters in all of the lower and appellate courts in Victoria.

David is also a Governor of the American Chamber of Commerce in Australia (AmCham), a member of the New York State Bar Association and the State Bar of Georgia, and a member of the Law Institute of Victoria's Taskforce on Social Media.

His ever growing involvement in the local community of Port Phillip led him to his decision to volunteer as a board member at PPCG.

Gina Fiske, Board Member

Gina has been a board member since 2017.

Gina has a Masters of Organisational Change, and a Bachelor in International Politics and Anthropology.

In a professional career spanning over 40 years, Gina has worked in the community and human services sector in program management and direct service delivery leading improvements in the lives of children, youth and families and promoting health and wellbeing initiatives in the community.

Her involvement with PPCG has been long term dating back to her role as a past elected Councillor of the City of St Kilda (prior to the formation of the City of Port Phillip), and as a member of the Community Consultative Group.

Peter Giles, Board Member

Peter has been a board member since 2018.

Peter has a Masters in Communication (Advertising) from RMIT.

Peter is a specialist in marketing and brand development with 20+ years' achievement in the industry. Peter currently works as Marketing and Communications Manager for Connect Health & Community. Throughout his career, he has built strong brand images, winning awards for his marketing campaigns and curating new initiatives to provide solutions for business.

Susanne Birks, Board Member

Susanne has been a board member since 2018. Susanne has a BA in Health Science (Nursing), a Master of Health Administration and completed the Executive Leadership Program at University of Oxford (Said Business School).

Susanne is the Manager of Community Psychiatry (Mental and Addiction Health) at Alfred Health. She has been in the field of mental health for over 30 years in direct care, leadership and management positions.

Susanne's professional interests include social justice, mental health, housing and homelessness, complex needs and risk assessment and management; all of which reflect PPCG's primary focus in delivering its range of innovative services to people and communities in the City of Port Phillip.

Information on Directors (continued)

Liz (Elizabeth) Jennings - Treasurer (Elected 17 November 2020)

Liz was elected to the Board and appointed as Treasurer on 17 November 2020.

Commencing work in banking, Elizabeth moved into the government and not-for-profit sectors to support her commitment to community organisations and social justice. She was Chief Financial Officer at Victoria Legal Aid, Head of Strategic Finance at World Vision Australia and the Director of Corporate and Community Services at the Shire of Yarra Ranges.

Liz has served on a number of boards and currently is a board member of the Donkey Wheel Foundation and the Port Phillip Community Group. She holds degrees in Commerce and Arts, a Master of Assessment and Evaluation from the University of Melbourne, and a Master of Business from Swinburne University. She is also a graduate of the Australian Institute of Company Directors.

Meetings of Directors

During the financial year, 12 (twelve) board meetings of Directors were held. Attendances by each director during the year were as follows:

	Meetings	
	Number eligible to attend	**Number attended**
Bernard Joffe (Retired Nov 2020)	4	4
Claire Edmanson	12	10
David Weinberger	12	9
Gina Fiske	12	12
Karen Sait	12	12
Michael McGann	12	12
Peter Giles	12	11
Susanne Birks	12	10
Liz Jennings (Elected Nov 2020)	9	9

After balance day events

A matter has continued to evolve since 30 June 2021 that has significantly affected, or may significantly affect:
(a) the entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the entity's state of affairs in future financial years.

The COVID19 pandemic is likely to induce a significant changes in the state of affairs of the Company during the financial period ended 30 June 2022. The Board of Directors will take all necessary measures to preserve capital and shepherd the Company through this uncertain period.

Contribution in Winding Up

Port Phillip Community Group Ltd 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 $10.00 towards meeting any outstanding obligations of the Company.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included in this report on Page 6.

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

Director _____ _____ Dated: 24 **August 2021**
Michael McGann **Liz (Elizabeth Jennings)**

TOWARDS A VISION SHARED

Collins & Co
Audit Pty Ltd

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Australia

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
PORT PHILLIP COMMUNITY GROUP LIMITED
A.B.N. 34 844 707 349

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

i. no contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and

ii. No contravention of any applicable code of professional conduct in relation to the audit.

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011

Dated this 25th day of August 2021

PORT PHILLIP COMMUNITY GROUP LTD
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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Community services income		8,574	16,350
Grants and subsidies		1,431,204	1,282,045
Rental related income		73,357	98,468
Other income		75,789	87,262
Profit on disposal of fixed assets		-	-
Administration expenses		(61,089)	(42,441)
Amortisation and depreciation expenses		(110,980)	(103,795)
Emergency relief expenses		(82,016)	(68,494)
Employment expenses		(8,535)	(7,063)
External Labour Services		(62,237)	(71,963)
Occupancy expenses		(119,375)	(56,957)
Organisational expenses		(12,773)	(14,511)
Program and project expenses		(21,076)	(87,972)
Staff salaries and wages expenses		(1,072,836)	(959,542)
Net surplus/(deficit) before income tax		**38,007**	**71,387**
Income tax expense	**1 (k)**	-	-
Net surplus/(deficit) attributable to the Company		**38,007**	**71,387**

PORT PHILLIP COMMUNITY GROUP LTD
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
Surplus/(deficit) for the year	**38,007**	**71,387**
Other comprehensive income after income tax	-	-
Total comprehensive income for the year	38,007	71,387
Total comprehensive income attributable to the Company	**38,007**	**71,387**

The income statement and statement of comprehensive income are to be read in conjunction with the audit report and the notes to the financial statements.

PORT PHILLIP COMMUNITY GROUP LTD
ABN 34 844 707 349
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**2**	449,204	434,580
Investments	**3**	529,933	524,090
Trade and other receivables	**4**	5,360	48,483
Other current assets	**5**	1,269	8,227
TOTAL CURRENT ASSETS		**985,766**	**1,015,380**
NON CURRENT ASSETS			
Property, plant and equipment	**6**	146,945	156,967
Intangible assets	**7**	396,967	461,896
TOTAL NON-CURRENT ASSETS		**543,912**	**618,863**
TOTAL ASSETS		**1,529,678**	**1,634,243**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other liabilities	**8**	52,980	148,659
Provisions	**9**	94,110	94,968
Lease liability	**10**	35,197	39,066
TOTAL CURRENT LIABILITIES		**182,287**	**282,693**
NON-CURRENT LIABILITIES			
Provisions	**9**	211,653	218,622
Lease liability	**10**	316,848	352,045
TOTAL NON-CURRENT LIABILITIES		**528,501**	**570,667**
TOTAL LIABILITIES		**710,788**	**853,360**
NET ASSETS		**818,890**	**780,883**
EQUITY			
Accumulated funds		818,890	780,883
TOTAL EQUITY		**818,890**	**780,883**

The statement of financial position is to be read in conjunction with the audit report and the notes to the financial statements.

PORT PHILLIP COMMUNITY GROUP LTD
ABN 34 844 707 349
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated funds $	Total $
Balance as at 1 July 2019	709,496	709,496
Surplus/(deficit) attributable to the Company	71,387	71,387
Balance as at 30 June 2020	**780,883**	**780,883**
Surplus/(deficit) attributable to the Company	38,007	38,007
Balance as at 30 June 2021	**818,890**	**818,890**

The statement of changes in equity is to be read in conjunction with the audit report and the notes to the financial statements.

PORT PHILLIP COMMUNITY GROUP LTD
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants etc.		1,545,195	1,474,212
Payments to suppliers and employees		(1,456,165)	(1,317,106)
Interest received		6,532	10,413
Net cash generated from/(used in) operating activities	**12**	**95,562**	**167,519**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(36,029)	(10,721)
Proceeds from property, plant and equipment		-	-
Proceeds from redemption of/(payments for) investments		(5,843)	(13,685)
Net cash (used in)/provided by investing activities		**(41,872)**	**(24,406)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability - leased premises		(39,066)	(35,590)
Net cash used in financing activities		**(39,066)**	**(35,590)**
Net increase/(decrease) in cash held		**14,624**	**107,524**
Cash and cash equivalents at beginning of financial year		**434,580**	**327,056**
Cash and cash equivalents at end of financial year	**2**	**449,204**	**434,580**

The statement of cash flows is to be read in conjunction with the audit report and the notes to the financial statements.

Note 1. Statement of Significant Accounting Policies

The financial statements and notes represent those of Port Phillip Community Group Ltd (the Company).

Basis of preparation

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from 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), the *Australian Charities and Not for Profits Commission Act* 2012, and the *Corporations Act* 2001. The Company is a not-for-profit Company for financial reporting purposes under Australian Accounting Standards.

The financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 26 October 2021.

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 stated otherwise.

The financial statements, except for the cash flow 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.

Accounting Policies

a. Property, Plant and Equipment

Freehold land and buildings, plant & equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

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

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

Increases in the carrying amount arising on the revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Note 1. Statement of Significant Accounting Policies *(continued)*

a. Property, Plant and Equipment *(continued)*

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings and building improvements	20% - 50%
Equipment	20% - 35%
Motor vehicles	20%
Right of use asset - leased premises	11%

b. Impairment of Assets

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

c. Leases

Leased Assets

For any new contracts entered on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration’. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Note 1. Statement of Significant Accounting Policies *(continued)*

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Accounting for Leases under AASB 16

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

Note 1. Statement of Significant Accounting Policies *(continued)*

Accounting for Leases under AASB 16 (*continued*)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 5%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

d. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Note 1. Statement of Significant Accounting Policies *(continued)*

d. Financial Instruments *(continued)*

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Employee Benefits

Short term benefits
The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Company expects to pay at the end of each reporting period.

Long term benefits
The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date.

Superannuation
Superannuation contributions are made by the Company to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Company has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

Note 1. Statement of Significant Accounting Policies *(continued)*

f. Provisions

Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. 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, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

h. Revenue

Revenue comprises revenue from the rent related activities, government grants, fundraising activities and client contributions.

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

The mandatory date of adoption for AASB 15 and AASB 1058 was 1 January 2019. The Companyl has elected to apply the modified retrospective approach allowable under the Standard, reflecting the cumulative impact arising from adoption (if any) as an adjustment to opening accumulated surplus at 1 January 2019. As a result, comparative financial information has not been restated.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

Step 1 – Identify the contract with the customer
Step 2 – Identify the sufficiently specific performance obligations to be satisfied
Step 3 – Measure the expected consideration
Step 4 – Allocate that consideration to each of the performance obligations in the contract
Step 5 – Recognise revenue

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1004 Contributions
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

Rent Revenue

Rent revenue from the rendering of services is recognised upon the invoicing of the rent payable to the tenant.

Note 1. Statement of Significant Accounting Policies *(continued)*

h. Revenue (continued)

Client Contributions

Fees charged for services provided to clients are recognised when the service is provided.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest Revenue

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

i. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

j. 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 Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows excluded from the receipts from customers or the payments to suppliers.

k. Taxes

Income Tax

By virtue of its aims as set out in the constitution, the Company qualifies as an organisation specifically exempt from income tax under the *Income Tax Assessment Act* 1997.

Land Tax

The Company is exempt from land tax because the property is used exclusively for a charitable purpose.

Payroll Tax

The Company is exempt from payroll tax because it is classified as a Public Benevolent Institution, as well as being a not-for-profit with a dominant charitable purpose.

Stamp Duty

The Company is exempt from stamp duty because the Company's purpose and activities are exclusively charitable.

Note 1. Statement of Significant Accounting Policies *(continued)*

l. Comparative Figures

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

When a Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

m. Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Where an impairment trigger exists, the recoverable amount of the asset is determined.

Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

o. New, Revised or Amending Accounting Standards and Interpretations Adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of The Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to The Company. The Board of Committee Members has elected not to early adopt any of the new and amended pronouncements.

	2021 $	2020 $
Note 2. Cash and Cash Equivalents		
Cash at bank - CBA Operating Account	59,481	46,226
Cash at bank - CBA APC NILS Account	-	2
Cash at bank - CBA CDA Account	16,006	16,006
Cash at bank - Debit Card Accounts	3,862	1,977
Cash at bank - SPISS	-	1,579
Cash on hand	-	283
Suncorp Bank Account	369,855	368,507
	449,204	434,580
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	449,204	434,580
	449,204	434,580
Note 3. Investments		
Investment - Suncorp Bank	501,927	496,084
Investment - Commonwealth Bank of Australia	16,006	16,006
Bank Guarantee - Commonwealth Bank of Australia	12,000	12,000
	529,933	524,090
Note 4. Trade and Other Receivables		
Trade debtors	5,360	48,483
	5,360	48,483
Note 5. Other Current Assets		
Prepayments	54	-
Accrued income	1,215	8,227
	1,269	8,227
Note 6. Property, Plant and Equipment		
Property leasehold improvements - 161 Chapel Street, St Kilda		
At cost	273,620	273,620
Accumulated depreciation	(164,609)	(137,178)
	109,011	136,442
Building equipment		
At cost	8,276	3,525
Accumulated depreciation	(2,540)	(2,183)
	5,736	1,342

	2021 $	2020 $
Note 6. Property, Plant and Equipment *(continued)*		
Motor vehicles		
At cost	32,946	32,946
Accumulated depreciation	(32,946)	(28,936)
	-	4,010
Office equipment		
At cost	80,021	48,744
Accumulated depreciation	(47,823)	(33,571)
	32,198	15,173
Total property, plant and equipment	**146,945**	**156,967**

Note 6. Property, Plant and Equipment *(continued)*

Reconciliation of movement in carrying values

	Property leasehold improvements	Building equipment	Motor vehicles	Office equipment	Total property, plant and equipment
Written down value at 1 July 2019	**163,184**	**1,695**	**9,940**	**10,417**	**185,236**
Additions	689	-	-	10,032	10,721
Disposals	-	-	-	-	-
Amortisation and depreciation expense	(27,431)	(353)	(5,930)	(5,276)	(38,990)
Written down value at 30 June 2020	**136,442**	**1,342**	**4,010**	**15,173**	**156,967**

	Property leasehold improvements	Building equipment	Motor vehicles	Office equipment	Total property, plant and equipment
Written down value at 1 July 2020	**136,442**	**1,342**	**4,010**	**15,173**	**156,967**
Additions	-	4,751	-	31,278	36,029
Disposals	-	-	-	-	-
Amortisation and depreciation expense	(27,431)	(357)	(4,010)	(14,253)	(46,051)
Written down value at 30 June 2021	**109,011**	**5,736**	**-**	**32,198**	**146,945**

Note 7. Intangible Assets

	Right of use asset - leased premises	Leasehold reinstatement	Total property, plant and equipment
Written down value at 1 July 2019	**-**	**100,000**	**100,000**
Additions	426,825	-	426,825
Disposals	-	-	-
Amortisation and depreciation expense	(44,929)	(20,000)	(64,929)
Written down value at 30 June 2020	**381,896**	**80,000**	**461,896**

	Right of use asset - leased premises	Leasehold reinstatement	Total property, plant and equipment
Written down value at 1 July 2020	**381,896**	**80,000**	**461,896**
Additions	-	-	-
Disposals	-	-	-
Amortisation and depreciation expense	(44,929)	(20,000)	(64,929)
Written down value at 30 June 2021	**336,967**	**60,000**	**396,967**

		2021 $	2020 $
Note 8.	**Accounts Payable and Other Liabilities**		
	Current - unsecured		
	Accounts payable	3,292	-
	Accrued expenses	3,825	-
	Accrued payroll expenses	11,211	6,067
	Grants in advance	19,909	107,241
	GST liability/(asset)	13,143	35,351
	Key deposits	1,600	-
		52,980	148,659
	Financial liabilities at amortised cost classified as trade and other payables		
	Trade and other payables		
	- Total current	52,980	148,659
	- Total non-current	-	-
		52,980	148,659
Note 9.	**Provisions**		
	Current		
	Provision for annual leave	78,301	61,865
	Provision for long service leave	15,809	33,103
		94,110	94,968
	Non-current		
	Provision for long service leave	11,653	18,622
	Provision for make-good	200,000	200,000
		211,653	218,622
Note 10.	**Lease Liabilities**		
	Current		
	Lease liability - leased premises	35,197	39,066
		35,197	39,066
	Non-current		
	Lease liability - leased premises	316,848	352,045
		316,848	352,045

	2021 $	2020 $

Note 11. Capital Commitments

There are no major capital works planned for the 2021/2022 year.

Note 12. Cash Flow Information

Reconciliation of cash flow from operations with profit after income tax		
Operating surplus/(deficit)	38,007	71,387
Non-cash flows in profit		
Depreciation of non-current assets	110,980	103,795
(Profit)/loss on disposal of property, plant and equipment	-	-
Changes in assets and liabilities		
(Increase)/decrease in trade debtors	43,123	(45,316)
(Increase)/decrease in prepayments	(54)	7,735
(Increase)/decrease in accrued income	7,012	(1,214)
Increase/(decrease) in accounts payables & accruals	12,261	(28,220)
Increase/(decrease) in grants in advance	(87,332)	47,030
Increase/(decrease) in sundry provisions	(20,608)	(4,058)
Increase/(decrease) in employee entitlements	(7,827)	16,380
Cash flow/(outflow) from operations	95,562	167,519

Note 13. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The Company does not have any derivative instruments at 30 June 2021.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 $	2020 $
Financial Assets			
Cash and cash equivalents	**2**	449,204	434,580
Investments	**3**	529,933	524,090
Trade and other receivables	**4**	5,360	48,483
Other current assets	**5**	1,269	8,227
		985,766	1,015,380
Financial Liabilities			
Trade and other payables	**7**	52,980	148,659
		52,980	148,659

(i) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

(ii) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.

(iii) Interest Rate Risk

The finance committee meets on a regular basis to analyse the interest rate exposure in the context of the most recent economic conditions and forecasts.

Note 14. Related Party Transactions

The Directors act in an honorary capacity and are not paid for their services as Directors.

There were no transactions with related parties during the 2021 year.

Note 15. Company Details

The registered office of the company is:

161 Chapel Street
ST KILDA VIC 3182

The principal place of business of the company is:

161 Chapel Street
ST KILDA VIC 3182

PORT PHILLIP COMMUNITY GROUP LTD
ABN 34 844 707 349
DIRECTORS' DECLARATION

The responsible persons declare that in the responsible persons' opinion:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act* 2012.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Director _____
Michael McGann

Director _____
Liz (Elizabeth Jennings)

Dated this 24th **day of August 2021**

TOWARDS A VISION SHARED

Collins & Co
Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

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PORT PHILLIP COMMUNITY GROUP LIMITED
A.B.N. 34 844 707 349
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of Port Phillip Community Group Limited (the company), which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Board of Directors.

In my opinion, the accompanying financial report of Port Phillip Community Group Limited is in accordance with Division 60 of the ACNC Act 2012, including:

i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance and cash flows for the year ended on 30 June 2021; and

ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the ACNC Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the ACNC Act 2012, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Report

My 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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd, 127 Paisley Street, FOOTSCRAY VIC 3011

Dated this 25th day of August 2021