

EACH

ABN: 46 197 549 317

Consolidated Financial Report

For the Year Ended 30 June 2021

EACH

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Directors' Report 30 June 2021

The Board of Directors of EACH has pleasure in submitting the financial report for the financial year ended 30 June 2021.

Directors

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

Mrs. Judith Lillian Woodland	(Chair)
Dr. Andrew Gosbell	(Dep. Chair)
Mr. David Leslie Agnew	(Company Secretary)
Mr. Leslie Philip Smart	(Retired 31 December 2020)
Mr. Peter Hill	
Ms. Tanya Jardine	
Mr. Luke Guthrie	
Ms. Cathy Jones	
Ms. Amy Bach	(Appointed 8 September 2020)

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

Company secretary

Mr. David Agnew held the position of Company Secretary at the end of the financial year. Mr. Agnew has served as a Barrister and Solicitor and has a graduate diploma in legal studies. Mr. Agnew has more than 25 years of experience as a corporate lawyer and as a senior manager in the financial services and insurance industry before joining the not for profit sector in 2001. Mr Peter Ruzyla (CEO) is the alternate Company Secretary.

Principal activities

The principal activities of the group during the year remained the provision of support across EACH's many communities through the delivery of its major service types, these being:

- Primary Health Care including GP and Allied Health,
- Nursing and Oral Health Services,
- Health Promotion,
- National Disability Insurance Scheme (NDIS) Services,
- Home Care Aged Care Services,
- Community Mental Health Services,
- Alcohol and Other Drug Services,
- Youth Services,
- Child and Family Services, including Child Care, Early Childhood Intervention Services,
- Mediation and Family Relationship Services,
- Counselling and targeted psychological services including Problem Gambling counselling, Victims of Crime support, Financial counselling, Family Violence Interventions,
- Covid-19 Services including Screening and Vaccination Clinics, Community Support Services,
- Social Housing Services through EACH Housing Ltd.

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Principal activities (continued)

EACH provides a diverse range of services as its commitment to a holistic and social model of health approach. This has also been an important financial sustainability strategy.

Short and long term objectives of the Group

In its final year of delivery, EACH closed out 'EACH 2020: A National Strategy 2016-2020' and commenced work on the development of a new strategic plan 'EACH 2021-2024'. At the heart of this new plan is objective to provide easily accessible, safe, effective, personal and connected care that is reliable and consistent everywhere, every time with services that can be trusted. EACH will build on its high quality, national services by prudently managing risk, strengthening and growing our services and further build hope to create more opportunities and improve the health of all of our communities.

The four key goals within the strategy are:

1. *Person-centred, accessible, connected, effective and safe services*
 - We provide services you can trust
 - Our services are easy to access
 - We are effective
 - We design services that are connected and meet each person's needs
2. *Strong connections with customers and community*
 - We are local and reliable
 - We respond to the voice of our customers
3. *Great people, positive culture*
 - We develop our people and never stop learning
 - We attract, retain and develop a diverse and high performing workforce
4. *Technology for better health and wellbeing*
 - We use technology to transform our services
 - Our people and our customers connect
 - Data shapes our learning and delivers better customer outcomes

Strategies developed and/or implemented this year

Positional Statement for a Treaty with Aboriginal and Torres Strait Islander Peoples

EACH commissioned a draft statement for submission to Commonwealth, State and Territory Governments reflecting EACH's support for a Treaty with the Aboriginal and Torres Strait Islander First Nations peoples. This statement was launched in late 2021.

Homelessness to Home Program (H2H)

EACH and EACH Housing Ltd were jointly successful in the receipt of \$6.6m funding to support 1845 specifically identified homeless persons and families who had been housed in emergency accommodation during the pandemic. This service provides access to stable housing for a period of up to 18 months and is accompanied by wrap around support services including mental health and alcohol and other drug supports.

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Strategies developed and/or implemented this year (continued)

Response to Royal Commissions

Royal Commissions at National and State levels focussed on discovering deficiencies in service types that were fundamental to EACH's services. This provided opportunity to share organisational experience and amplify the voices of customers and staff, with the contribution of submissions to initial requests and responses to draft reports. EACH continues to embed the learnings from the findings as they are delivered and include an environmental scan in strategic initiatives and directions.

Mental Health Services

In anticipation of the future work emanating from the Productivity Commission and the Victorian Royal Commission, EACH commissioned an internal Mental Health Strategic Analysis. The resultant report has identified opportunities, potential partnerships, workforce investments and further strategic planning required. Following the lead of the Royal Commissions EACH will make a key investment in its lived/living experience workforce as they will be co-designers and service deliverers in the new framework. EACH has also won a further broad range of mental health and wellbeing services; each of which provide the platform for future opportunities.

Aboriginal Community Partnerships – Cherbourg QLD

Working in partnership with the Darling Downs West Moreton Primary Health Network, local service providers and leaders from the local community EACH is in the process of making available 5 fully supported scholarship positions to assist Aboriginal community members in Cherbourg QLD to get Certificate and Diploma level qualifications in areas that allow them to assist their community, and potentially lead to paid employment

Disaster Recovery

After a tumultuous 2019/2020, this financial year also saw a number of disasters occur across the regions where EACH has a presence. These environmental disasters caused significant impact to EACH's customers and put pressure on already high-demand services during the pandemic. With floods, storm damage and mice plagues, but to name a few, EACH was able to swing into action and strategically partner with other local agencies on the ground to provide emergency responses.

Launch of My Health Record

Successfully launched the use of My Health Record for staff in Community Health to view records. This is the first step in a journey to enable other services to access and read and then, in conjunction with the Victorian Department of Health, progress towards uploading customer health records.

Business acquisition

In July 2021 EACH purchased the shares in a private consulting firm in Taree called Clinical Psychology Solutions (CPS). CPS has been fully merged into EACH, although is still marketed under the CPS banner locally with EACH 'trading as CPS'.

Quality Improvements

A number of quality improvement initiatives were developed and launched including:

- Quality, Clinical and Practice Governance Framework to provide guidance to deliver great care for every person, every time.
- Serious Incident Review Framework to further understand and learn from reportable incidents and determine any preventable strategies to support our customers and staff
- Continuous Quality Improvement Planning to enable teams to capture learnings and initiatives to further enhance service delivery
- Further enhancement of the Clinical and Practice Leads structure to embed professional leadership for service portfolios.

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Strategies developed and/or implemented this year (continued)

EACH Brand Strategy Campaign

In late 2020 EACH launched a campaign to focus on increasing brand awareness in the communities in which we work. This was mainly driven through social media to engage people who aren't necessarily searching for services but have an interest in the services that we provide.

Capital Works Developments

Significant building upgrades were completed at EACH's Residential Rehabilitation Facility in Healesville and at both of its Youth Residential Facilities. A further project was commenced at the Residential Rehabilitation Facility to increase the number of residents from 11 to 23 and provide a communal building for all residents. EACH Housing commenced two residential developments under the Victoria Government's Big Housing Build.

National Access and Intake Service (NAIS)

Launched the centralised service to ensure a smooth customer journey with enquiries, onboarding and confirming initial appointments with key EACH services.

Human Resources Information System (HRIS)

Work commenced to implement a major new streamlined system to better manage EACH's workforce information and processes.

Innovate Reconciliation Action Plan (RAP)

EACH completed the first 6-month Progress Report for Sept 20 – Feb 21, further strengthening relationships with local Aboriginal and Torres Strait Islander communities.

COVID-19

Whilst the 'business-as-usual' operations of EACH have been significantly impacted by the restrictions imposed by various levels of Government, EACH has continued to adapt its service delivery wherever possible to comply with these restrictions to support vulnerable customers.

The ever-expanding Covid-19 suite of services now includes 5 fixed testing clinics, 3 fixed vaccination clinics and a number of support services including, but are not limited to:

- Mobile Rapid Response Testing across the State of Victoria
- Covid+ Pathways supporting people who are diagnosed as Covid positive.
- Partners in Wellbeing supporting small businesses through the impacts of lockdowns and restrictions
- High Risk Accommodation Response supporting residents in a variety of high-risk accommodation settings

Financial support from Funding Bodies along with the EACH's eligibility for Job Keeper support funding has meant that EACH's financial position has not been affected adversely by the COVID-19 crisis. EACH received approximately \$18.3m of JobKeeper during 2021FY, which \$15.6m was recognised as revenue. This enabled the maintenance of service levels to the community when they were most needed and ensured organisational readiness to resume full services when lockdowns ceased.

These funds supported staff who would otherwise have had a reduced or no income, topped up the salary of eligible staff and supported casual staff, who were not eligible for JobKeeper, by continuing to pay them their average fortnightly pay. This ensured the retention of a ready workforce to return to work after the lockdowns. Additional funds were also directed to improving IT infrastructure to support staff to work from home and deliver as many services as possible remotely.

Finally, it has enabled EACH to bring forward the completion of key community projects as the impact of homelessness, mental health and alcohol and drug support needs escalated over 2020.

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Operating results

The financial outcome for the group for the financial year is a surplus of \$16,015,845 (2020: \$7,526,170).

The surplus as a percentage of revenue is 10.7% for this year (2020: 6.2%). The total revenue for the year was \$150.1 Million compared to \$121.8 Million for the previous year representing an increase of 23.2%. The total expenditure for the year was \$134.0 Million compared to \$114.3 Million in the previous year representing an increase of 17.3%.

Dividends paid or recommended

Being a non-profit organisation, the Group does not declare or distribute dividends.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Environmental legislation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Nevertheless, EACH undertakes a range of sustainability initiatives including energy and water conservation infrastructure and practices, recycling and resource use reduction practices.

Information on directors

Mrs. Judith Lillian Woodland (Chair)

Qualifications	Qualified Speech Pathologist Postgraduate Certificate in Assessment and Evaluation
Experience	Extensive experience in both the community and public sectors through an evolving career with experience in direct service delivery, management of multidisciplinary teams, and state wide program management and policy development. She has experience in various sectors including, health, welfare, community services and education.
Special Responsibilities	Chair EACH Member of the EACH Board Governance Committee Member of the Services Quality and Risk Committee Member of FAIR Committee (ex officio) Chair EACH Housing Ltd.

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Directors' Report 30 June 2021

Information on directors (continued)

Dr. Andrew Gosbell (Deputy Chair)

Qualifications	PhD Biomedical Science Bachelor Applied Science GAICD and FIML
Experience	CEO of General Practice Registrars Australia and has over 25 years of experience in health and related sectors, with skills in patient care, research, policy and advocacy, and education and training, in a range of roles including project management and senior management.
Special Responsibilities	Deputy Chair EACH Chair of the Services Quality and Risk Committee Member of the EACH Board Governance Committee Director of EACH Housing Ltd.

Mr. David Leslie Agnew (Company Secretary)

Qualifications	Barrister and solicitor (retired) Graduate Diploma Legal Studies
Experience	More than 25 years of experience as a corporate lawyer and as a senior manager in the financial services and insurance industry before joining the not-for-profit sector in 2001. He was CEO of Very Special Kids for 8 years before retiring in 2013.
Special Responsibilities	EACH Company Secretary Member of the EACH Board Governance Committee Member of the Finance, Audit, Infrastructure and Risk Committee Director of EACH Housing Ltd.

Mr. Leslie Philip Smart (retired 31 December 2020)

Qualifications	Certified Practising Accountant (retired) Registered Auditor (retired) Inspector of Municipalities (retired)
Experience	More than 50 years business experience involving professional accounting, tax, audit and management with former directorates and senior management roles in companies involving insurance, agriculture pursuits including indigenous projects, private equity management, educational materials, publishing, construction, property development and building material manufacture in Australia and internationally.
Special Responsibilities	Chair of the Finance, Audit, Infrastructure and Risk Committee Director of EACH Housing Ltd.

Mr. Peter Hill

Qualifications	Member of the Australian Institute of Company Directors
Experience	Specialist consultant in IT Strategy and Project Management. Prior to joining EACH Board in January 2014, served as a Director of Knox Community Health Service Ltd.
Special Responsibilities	Member of the Finance, Audit, Infrastructure and Risk Committee

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Information on directors (continued)

Ms. Tanya Jardine

Qualifications	Master of Business Administration and GAICD
Experience	Extensive background in the health sector, principally within service-based health industries, incorporating senior health management.
Special Responsibilities	Member of the Service Quality and Risk Committee Member of the Finance, Audit, Infrastructure and Risk Committee

Mr. Luke Guthrie

Qualifications	Graduate Diploma in Applied Finance & Investment Diploma of Financial Services Bachelor of Commerce (Accounting and Finance) Chartered Accountant Licensed Real Estate Agent
Experience	Over 20 years of international financial and executive experience across the property development, real estate, investment management, funds management and construction sectors. Currently Chief Executive Officer at a Melbourne based international property development, real estate and funds management group. An Advisory Board member of Hytile which is a roofing equipment manufacturer.
Special Responsibilities	Member of the Finance, Audit, Infrastructure and Risk Committee (until 31 December 2020) Chair of the Finance, Audit, Infrastructure and Risk Committee (from 1 January 2021) Member of the EACH Board Governance Committee (from 1 January 2021) Director of EACH Housing Ltd.

Ms. Cathy Jones

Qualifications	Master of Business Administration Bachelor Applied Science (Hon) – Speech Pathology GAICD
Experience	Over 25 years' experience in public and private health services, with clinical qualifications in allied health and an MBA. She represents the private sector on several national committees for the Australian Commission on Safety & Quality in Health Care, lectures internationally in quality and risk management, and hosts the No Harm Done podcast.
Special Responsibilities	Member of the Service Quality and Risk Committee

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Information on directors (continued)

Ms. Amy Bach (appointed 8 September 2020)

Qualifications	Master of Business Administration Master of Musculoskeletal Physiotherapy Bachelor of Physiotherapy (Hons)
Experience	Established senior healthcare leader with over 13 years' clinical and management experience across the private, public and not-for-profit health sectors in Australia and the UK. A physiotherapist by background, her skills include strategic planning and implementation expertise in the health sector, clinical governance, employee engagement, allied health service operations, marketing strategy and project management.
Special Responsibilities	Member of the Service Quality and Risk Committee

Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit, Infrastructure and Risk Committee Meetings		Service Quality and Risk Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mrs. Judith Lillian Woodland (Chair)	11	11	11	11	4	4
Dr. Andrew Gosbell (Deputy Chair)	11	11	-	-	4	4
Mr. David Leslie Agnew (Company Secretary)	11	11	11	11	-	-
Mr. Leslie Philip Smart (<i>Retired 31 December 2020</i>)	5	5	6	6	-	-
Mr. Peter Hill	11	11	11	11	-	-
Ms. Tanya Jardine	11	11	11	11	4	4
Mr. Luke Guthrie	11	11	11	11	-	-
Ms. Cathy Jones	11	11	-	-	4	4
Ms. Amy Bach (<i>Appointed 8 September 2020</i>)	9	8	-	-	1	1

Options

No options over issued shares or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and insurance of officers and auditors

The Group maintains adequate insurance cover which includes Combined Directors and Officers Liability, group Reimbursement Policy and Professional Indemnity Insurance. The Group has not provided any insurance or indemnity to its auditors.

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Proceedings on behalf of the Group

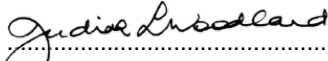
No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

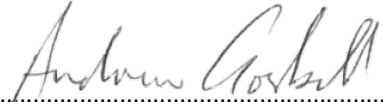
The Group was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2021 has been received and can be found on page 10 of the consolidated financial report.

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

Director: 
.....
Mrs. Judith Lillian Woodland (Chair)

Director: 
.....
Dr. Andrew Gosbell (Deputy Chair)

Dated this ...29th..... day of ...October..... 2021

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF EACH LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 29 October 2021

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

	Note	2021 \$	2020 \$
Revenue and income			
Revenue and income	2	150,060,888	121,844,161
Total revenue and income		<u>150,060,888</u>	<u>121,844,161</u>
Expenses			
Employee benefits expense		(98,519,707)	(84,016,223)
Depreciation and amortisation expense	4	(5,442,172)	(5,732,474)
Impairment expense		(158,343)	-
Operating lease expense		(612,697)	(311,325)
Property expenses		(2,619,414)	(1,764,019)
Client & program costs		(13,731,644)	(9,878,703)
Consulting and legal fees		(1,659,523)	(999,542)
Disbursement of grant expenses		(3,105,803)	(3,570,064)
Other administration expenses		(8,029,936)	(7,840,932)
Finance expenses		(165,804)	(204,709)
Total operational expenses		<u>(134,045,043)</u>	<u>(114,317,991)</u>
Profit for the year		<u>16,015,845</u>	<u>7,526,170</u>
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Fair value remeasurements - gains/(losses) for fair value through other comprehensive income	24	808,226	(694,557)
Other comprehensive income for the year		<u>808,226</u>	<u>(694,557)</u>
Total comprehensive income for the year		<u>16,824,071</u>	<u>6,831,613</u>
Total comprehensive income attributable to members of the entity		<u>16,824,071</u>	<u>6,831,613</u>

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	35,297,097	14,693,219
Trade and other receivables	6	6,118,448	6,065,163
Contract assets	7	4,583,239	2,735,605
Inventories		107,318	49,287
Financial assets	8	2,597,510	1,784,921
Other assets	9	2,267,437	4,282,845
TOTAL CURRENT ASSETS		50,971,049	29,611,040
NON-CURRENT ASSETS			
Property, plant and equipment	10	45,989,724	44,416,391
Right-of-use assets	11	4,830,966	7,484,115
TOTAL NON-CURRENT ASSETS		50,820,690	51,900,506
TOTAL ASSETS		101,791,739	81,511,546
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	6,568,890	6,032,197
Contract liabilities	13	16,565,789	17,025,982
Financial liabilities	14	3,718,611	-
Provisions	15	11,741,871	9,900,567
Lease liability	16	2,393,348	2,881,169
TOTAL CURRENT LIABILITIES		40,988,509	35,839,915
NON-CURRENT LIABILITIES			
Provisions	15	5,284,557	5,098,242
Lease liability	16	2,669,766	4,548,553
TOTAL NON-CURRENT LIABILITIES		7,954,323	9,646,795
TOTAL LIABILITIES		48,942,832	45,486,710
NET ASSETS		52,848,907	36,024,836
EQUITY			
Asset revaluation reserve	24	12,923,565	12,923,565
Financial asset reserve	24	149,950	(658,276)
Retained earnings		39,775,392	23,759,547
TOTAL EQUITY		52,848,907	36,024,836

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity For the Year Ended 30 June 2021

	Retained Earnings	Asset Revaluation Surplus	Financial Asset Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2019	16,233,377	12,923,565	36,281	29,193,223
Profit attributable to the entity	7,526,170	-	-	7,526,170
Other comprehensive expense for the year	-	-	(694,557)	(694,557)
Balance at 30 June 2020	23,759,547	12,923,565	(658,276)	36,024,836
Balance at 1 July 2020	23,759,547	12,923,565	(658,276)	36,024,836
Profit attributable to the entity	16,015,845	-	-	16,015,845
Other comprehensive income for the year	-	-	808,226	808,226
Balance at 30 June 2021	39,775,392	12,923,565	149,950	52,848,907

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Commonwealth, state and government grants/contracts	130,393,071	106,550,807
Receipts from services provided	5,928,789	5,005,555
Receipts from donations	121,674	14,572
Receipts from Job Keeper	18,351,776	5,428,500
Interest received	127,594	129,630
Dividends received from investments	120,123	134,897
Payments to suppliers and employees	(123,804,536)	(108,729,095)
Repayment of funding	(3,373,354)	(2,128,415)
Net cash provided by operating activities	23 <u>27,865,137</u>	<u>6,406,451</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	10 (4,702,441)	(3,788,920)
Proceeds from sale of property, plant and equipment	606,036	946,467
Payment for investment in subsidiary	(200,000)	-
Net cash used in investing activities	<u>(4,296,405)</u>	<u>(2,842,453)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(2,964,854)	(2,798,208)
Net cash used in financing activities	<u>(2,964,854)</u>	<u>(2,798,208)</u>
Net increase in cash and cash equivalents held	20,603,878	765,790
Cash and cash equivalents at beginning of year	14,693,219	13,927,429
Cash and cash equivalents at end of financial year	5 <u><u>35,297,097</u></u>	<u><u>14,693,219</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Group is a not-for-profit Group for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these 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 accrual 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 financial statements are presented in nearest Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements are prepared on a going concern basis.

Accounting policies

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (EACH) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls a Group when it is exposed to, or has rights to, variable returns from its involvement with the Group and has the ability to affect those returns through its power over the Group. Details of the subsidiary is provided in Note 26.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intergroup transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income.

(b) Revenue and other income

Revenue recognition

Revenue is recognised in accordance with the following five-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Revenue recognition (continued)

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 13).

A performance obligation satisfied in advance of billing the customer is recorded as a contract asset (Note 7).

Client fees

Client fees are recognised when the services are provided as this is when the performance obligation is satisfied.

Grant revenue

When the Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

JobKeeper

JobKeeper income is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The Group presents JobKeeper income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a gross basis.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Capital grant

When the Group receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Group recognises income in profit or loss when or as the Group satisfies its obligations under terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

The Group recognises dividends in profit or loss only when the Group's right to receive payment of the dividend is established.

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

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Freehold land and buildings are shown at fair value based on periodic valuation, with at least triennial valuation by external independent valuers. When land and buildings are purchased as a single property, a valuation for splitting the price of the land and building is done at the time of recording the asset.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' assessment to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Leasehold improvements are shown at cost less subsequent depreciation.

Motor vehicles and office equipment are shown at their cost less accumulated depreciation.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(c) Property, plant and equipment (continued)

The carrying amount of leasehold improvements and other plant and equipment are reviewed annually by directors to ensure it is not in excess of the recoverable amount from those 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 been discounted to present values in determining the recoverable amounts.

Plant and equipment that have been contributed at no cost or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The depreciation rates for each class of depreciable asset for the current and prior periods are shown below:

Fixed asset class	Depreciation rate
Buildings	2.50 - 5.00%
Leasehold improvements	5.00 - 12.00%
Office Equipment	10.00 - 45.00%
Motor Vehicles	10.00 - 18.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's 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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surplus.

(d) Inventories

Inventories are valued at the lower of cost or net realisable value.

(e) Financial instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Initial recognition and measurement (continued)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Classification and subsequent measurement (continued)

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Derecognition (continued)

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(f) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the Group estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(g) Impairment of financial assets

Impairment of financial assets is recognised in the form of a loss allowance for expected credit loss. The loss allowance is measured as a life time expected credit loss if, at the reporting date, the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance is measured as 12 month expected credit loss if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition.

The Group determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, unless the financial instrument is determined to have low credit risk at the reporting date.

Changes in expected credit losses from the previous reporting period are recognised in profit or loss as an impairment gain or loss.

Expected credit losses are measured with reference to the maximum contractual period and considering

- a. an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables (other than government subsidies) are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated. Government subsidies are written off if there is evidence regarding changes in Government policies or non compliance with the conditions related to the grant that the Group is no longer eligible to the subsidies.

(h) 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 six months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Statement of Financial Position.

(i) Accounts receivable and other debtors

Trade and other receivables include amounts receivable from customers for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non current assets.

It is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(j) Accounts payable and other payables

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

(k) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(k) Leases (continued)

The Group as lessee (continued)

The Group remeasures the lease liability (and makes corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- The lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' accounting policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the Group to further its objectives (commonly known as peppercorn/concessionary leases), the Group has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(k) Leases (continued)

The Group as lessor (continued)

Initial direct costs incurred in entering into an operating lease (for example, legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases is recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

(l) Provisions

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

Short term employee provisions

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

Other long term employee provisions

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

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

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST amount, except where GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(n) Income tax

The Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(o) Comparative figures

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

When the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(p) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Group at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Group's own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(q) Critical accounting estimates and judgements

Key estimates

(i) Useful lives of property, plant and equipment

As described in Note 1(c), the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Group expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the Group will make. The Group determines the likelihood to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Group.

(iii) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(iv) Fair value of land and buildings

Management assesses at each balance date whether the fair value adopted for land and buildings is materially in line with the last independent valuation performed. If the valuation is determined to not represent fair value at the balance date, then management will engage a suitably qualified, independent valuation expert to perform an updated valuation for adoption in the financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies (continued)

(r) Economic dependence

EACH is dependent on the Commonwealth and State government departments for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the respective government departments will not continue to support EACH.

(s) Accounting standards not yet adopted by the Group

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. These new and amended pronouncements are considered to have a limited impact on the Group's reporting.

- AASB 2020-6: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (applicable to annual reporting periods beginning on or after 1 January 2023)
- AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* (applicable to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted) AASB 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (applicable to annual reporting periods beginning on or after 1 January 2023 with earlier application permitted)
- AASB 2021-3: *Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions beyond 30 June 2021* (applicable to annual reporting periods beginning on or after 1 April 2021 with earlier application permitted)

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Revenue and Other Income

	Note	2021 \$	2020 \$
Revenue from contracts with customers	2(a)	130,616,589	107,443,632
Income accounted for under AASB 1058 <i>Income of Not-For-Profit Entities</i>	2(b)	707,756	818,204
Other Income	2(c)	18,736,543	13,582,325
		<u>150,060,888</u>	<u>121,844,161</u>

(a) Revenue from contracts with customers

- Service income from Commonwealth government	65,970,773	59,436,917
- Service income from Victorian government	58,708,527	42,965,076
- Client Fees	5,937,289	5,041,639
	<u>130,616,589</u>	<u>107,443,632</u>

Timing of revenue recognition

Goods transferred at a point in time	5,937,289	5,041,639
Goods/services transferred over time	124,679,300	102,401,993
	<u>130,616,589</u>	<u>107,443,632</u>

Details regarding performance obligations

	Client fee income	Grant income
Nature of goods or services involved	Delivery of community health services.	Delivery of community health services.
Satisfaction of performance obligations	Performance obligations are satisfied at a point in time when the service is delivered.	Performance obligations are satisfied overtime as the program is delivered.
Other obligations	Refund clause.	Refund clause.

Transaction price allocated to remaining performance obligations

	2022 \$	Total \$
Grant income	<u>16,565,789</u>	<u>16,565,789</u>

Refer to note 13 for a reconciliation of contract liabilities.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Revenue and Other Income (continued)

(b) Income accounted for under AASB 1058 Income of Not-For-Profit Entities

	2021	2020
	\$	\$
Donations	121,674	14,572
Capital grants	586,082	803,632
	<u>707,756</u>	<u>818,204</u>

(c) Other Income

- Job Keeper	15,638,276	9,015,643
- Brokerage income	903,632	1,947,606
- Rental income	1,231,021	1,195,238
- Interest income	127,594	129,630
- Dividend income	120,123	134,897
- Gain on sale of assets	-	96,810
- Other income	715,897	1,062,501
	<u>18,736,543</u>	<u>13,582,325</u>

3 Significant Expenses

Surplus for the year has been determined after the following significant expenses:

Significant expenses

Increase/(decrease) in provision for doubtful debts	(446,135)	494,036
Brokerage expenses	9,525,727	8,112,059
Agency staff expenses	3,748,424	1,741,512
Consulting and legal fees	1,659,523	999,542

4 Depreciation Expense

Depreciation - Property, plant & equipment	2,421,078	2,846,416
Depreciation - Right-of-use asset	3,021,094	2,886,058
	<u>5,442,172</u>	<u>5,732,474</u>

5 Cash and Cash Equivalents

CURRENT

Cash on hand	4,364	15,917
Cash at bank	1,344,962	1,562,964
Short-term bank deposits	33,947,771	13,114,338
	<u>35,297,097</u>	<u>14,693,219</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

5 Cash and Cash Equivalents (continued)

The effective interest on short term bank deposits was 0.28% (2020:1.07%).

These deposits have varying maturity dates.

6 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	6,378,266	6,796,543
Other receivables	36,152	10,725
Provision for impairment of receivables	(295,970)	(742,105)
	<u>6,118,448</u>	<u>6,065,163</u>

Ageing of trade debtors

Current	4,331,327	1,794,604
30 days	977,558	35,276
60 days	110,408	800
90 days	39,734	27,036
120 days	6,267	30,067
>120 days	653,154	4,908,760
	<u>6,118,448</u>	<u>6,796,543</u>

Current trade receivables are non-interest bearing and generally receivable within 30 to 60 days.

7 Contract Assets

CURRENT		
Opening balance	2,735,605	-
Adoption of AASB 15 Revenue from Contracts with Customers	-	2,523,830
Increase in estimates of progress measurement	56,719,205	46,120,010
Reclassification from contract assets to receivables	(54,871,571)	(45,908,235)
Closing balance	4,583,239	2,735,605

8 Financial Assets

CURRENT		
Investments in equity instruments designated at fair value through other comprehensive income		
Listed investments	2,597,510	1,784,921

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Notes to the Financial Statements For the Year Ended 30 June 2021

9 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	2,046,545	542,377
Accrued income	33,825	3,618,928
Other receivables	187,067	121,540
	<u>2,267,437</u>	<u>4,282,845</u>

10 Property Plant and Equipment

Freehold land

At fair value	<u>23,994,178</u>	22,864,775
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Buildings

At fair value	15,736,245	14,889,897
At cost	247,898	1,011,638
Less: accumulated depreciation	<u>(1,463,263)</u>	<u>(809,958)</u>
	<u>14,520,880</u>	15,091,577

Capital works in progress

At cost	<u>2,730,829</u>	301,162
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Motor vehicles

At cost	3,728,674	3,688,441
Less: accumulated depreciation	<u>(2,699,935)</u>	<u>(2,580,092)</u>
	<u>1,028,739</u>	1,108,349

Office equipment

At cost	8,233,212	8,305,210
Less: accumulated depreciation	<u>(6,774,536)</u>	<u>(6,272,432)</u>
	<u>1,458,676</u>	2,032,778

Leasehold Improvements

At cost	6,580,490	7,299,091
Less: accumulated depreciation	<u>(4,324,068)</u>	<u>(4,281,341)</u>
	<u>2,256,422</u>	3,017,750

Total property, plant and equipment	<u><u>45,989,724</u></u>	<u><u>44,416,391</u></u>
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Notes to the Financial Statements For the Year Ended 30 June 2021

10 Property Plant and Equipment (continued)

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. Herron Todd White performed an independent valuation of EACH's land and buildings on 28 February 2019. The valuer utilised the direct comparison method.

Movements in carrying amounts of property, plant and equipment

	Capital Works in Progress	Land	Buildings	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020							
Balance at the beginning of year	783,014	22,229,775	14,548,170	1,487,094	3,197,026	2,928,626	45,173,705
Additions	3,362,096	-	14,952	87,189	229,403	95,280	3,788,920
Disposals/write offs	-	(145,000)	(223,591)	(11,213)	(859,150)	(460,864)	(1,699,818)
Transfers	(3,843,948)	780,000	1,246,129	-	584,351	1,233,468	-
Depreciation	-	-	(494,083)	(454,721)	(1,118,852)	(778,760)	(2,846,416)
Balance at the end of the year	301,162	22,864,775	15,091,577	1,108,349	2,032,778	3,017,750	44,416,391
Year ended 30 June 2021							
Balance at the beginning of year	301,162	22,864,775	15,091,577	1,108,349	2,032,778	3,017,750	44,416,391
Additions	2,987,745	1,309,403	-	334,135	47,383	23,775	4,702,441
Disposals/write offs	-	(280,000)	(172,224)	(16,741)	(2,122)	(236,943)	(708,030)
Transfers	(558,078)	100,000	274,012	-	116,335	67,731	-
Depreciation expense	-	-	(672,485)	(397,004)	(735,698)	(615,891)	(2,421,078)
Balance at the end of the year	2,730,829	23,994,178	14,520,880	1,028,739	1,458,676	2,256,422	45,989,724

11 Right-of-Use Assets

	2021	2020
	\$	\$
NON-CURRENT		
Leased buildings	10,659,317	10,370,173
Accumulated depreciation	(5,828,351)	(2,886,058)
	4,830,966	7,484,115

Movement in carrying amounts:

Leased buildings:		
Opening balance	7,481,115	-
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117).	-	8,483,512
Additions	11,501	1,883,661
Lease modifications	359,444	-
Depreciation expense	(3,021,094)	(2,886,058)
Net carrying amount	4,830,966	7,481,115

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Notes to the Financial Statements For the Year Ended 30 June 2021

11 Right-of-Use Assets (continued)

The Group has entered into one new lease post 30 June 2021. The total committed, undiscounted lease payments are \$293,976.

The entity does not have any leases which contain variable lease payments.

AASB 16 related amounts recognised in the consolidated statement of comprehensive income

	2021	2020
	\$	\$
Depreciation charge related to right-of-use assets	(3,030,030)	(2,886,058)
Interest expense on lease liabilities	(165,804)	(204,709)
Short-term and low value asset leases expenses	(612,697)	(311,325)
Total amount recognised in the statement of profit or loss	<u>(3,808,531)</u>	<u>(3,402,092)</u>

The Group have 10 concessionary leases, which have a lease term between 1 and 15 years, and an annual payment amount between \$0.01 and \$285. The remaining lease terms are between 1 and 14 years. The lease is measured in accordance with the accounting policies as outlined in note 1(k). The concessionary lease provides a significant reduction in administration expenses and the savings allow the Group to further achieve its mission and vision.

12 Trade and Other Payables

CURRENT

Trade payables	3,949,694	2,751,298
Other payables	2,619,196	3,280,899
	<u>6,568,890</u>	<u>6,032,197</u>

13 Contract Liabilities

CURRENT

Opening balance	17,025,982	-
Adoption of AASB 15 Revenue from Contracts with Customers	-	15,809,215
Cash received from funding body	119,259,485	96,473,689
Repayment to funding body	(3,371,319)	(2,128,415)
Recognition of revenue from contract liabilities	(112,629,748)	(93,128,507)
Reclassification to financial liabilities	(3,718,611)	-
Closing balance	<u>16,565,789</u>	<u>17,025,982</u>

14 Financial Liabilities

CURRENT

Funding to be recouped by funding bodies	<u>3,718,611</u>	-
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The Group has reclassified funding received in advance for which a contractual obligation exists to return funding where performance obligations have not been met at 30 June 2021.

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Notes to the Financial Statements For the Year Ended 30 June 2021

15 Provisions

	2021	2020
	\$	\$
CURRENT		
Annual leave	5,652,354	4,688,763
Long service leave	5,892,468	5,080,335
Other employee entitlements	197,049	131,469
	<u>11,741,871</u>	<u>9,900,567</u>
NON-CURRENT		
Long service leave	4,922,211	4,751,290
Provision for make good	362,346	346,952
	<u>5,284,557</u>	<u>5,098,242</u>
Total provisions	<u>17,026,428</u>	<u>14,998,809</u>
Movements:		
Opening balance at 1 July	14,998,809	14,603,621
Provisions made during the year	9,628,417	8,842,854
Settlements made during the year	(7,600,798)	(8,447,666)
Closing balance at 30 June	<u>17,026,428</u>	<u>14,998,809</u>

Employee provisions represent amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

16 Lease Liability

	2021	2020
	\$	\$
Maturity analysis:		
Year 1	2,575,581	2,972,428
Year 2	1,274,930	2,354,165
Year 3	655,669	1,380,251
Year 4	464,966	738,584
Year 5 and beyond	251,992	417,933
	<u>5,223,138</u>	<u>7,863,361</u>
Less interest	<u>(160,024)</u>	<u>(433,639)</u>
Total	<u>5,063,114</u>	<u>7,429,722</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

16 Lease Liability (continued)

	2021	2020
	\$	\$
Analysed as:		
Current	2,393,348	2,881,169
Non-current	2,669,766	4,548,553
Total	<u>5,063,114</u>	<u>7,429,722</u>

17 Contracted Commitments

Operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments

not later than 12 months

493,653

207,437

between 12 months and 5 years

-

-

between 5 years and 10 years

-

-

Total

493,653

207,437

18 Contingent Liabilities and Contingent Assets

(a) Bank guarantees

Bank guarantees back by term deposits and provided for tenancy deposits is \$540,584 (2020: \$508,959).

(b) At Call Account

EACH's corporate credit cards have a total limit of \$50,000 of which \$36,338 is the used amount as at 30 June 2021 (2020: \$42,644). These cards are issued with the security At Call accounts held with CBA.

19 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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Notes to the Financial Statements For the Year Ended 30 June 2021

20 Related Parties

Key Management Personnel Compensation

	2021	2020
	\$	\$
Short term benefits	2,594,287	2,541,563
Long term benefits	80,907	57,636
	<u>2,675,194</u>	<u>2,599,199</u>

Key management personnel comprises the CEO and other senior staff members within EACH. While the Board of Director's are key management personnel, they receive no compensation for their service and are therefore excluded from the above disclosure.

There were no related party transactions required to be disclosed for the Group's Board of Directors, Chief Executive Officer and Executive Directors in 2021.

21 Financial Risk Management

Financial Risk Management Policies

The Finance, Audit, Infrastructure and Risk (FAIR) Committee is responsible for monitoring and managing the Group's compliance with its risk management strategy and consists of senior board members. The FAIR committee's overall risk management strategy is to assist the Group in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Group.

The Group does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 85% of the grants being received from Commonwealth, state and local governments are in accordance with funding agreements which ensure regular funding for a period ranging from 1 to 3 years.

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Notes to the Financial Statements For the Year Ended 30 June 2021

21 Financial Risk Management (continued)

(a) Credit risk (continued)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

The Group has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 6.

Credit risk related to balances with banks and other financial institutions is managed by the Finance Audit Infrastructure and Risk Committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA for at least 60% of its investments. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty

	2021	2020
	\$	\$
AA- rated	29,862,630	-
A+ rated	5,430,103	14,139,696
BBB+ rated	-	537,606
Total Cash on hand	35,292,733	14,677,302

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

There are no debts for the Group for the year ended 30 June 2021 (2020: nil).

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial instruments. The Group does not hold any derivative financial instruments directly.

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Notes to the Financial Statements For the Year Ended 30 June 2021

21 Financial Risk Management (continued)

(b) Liquidity risk (continued)

Financial Instrument Composition and Maturity Analysis

Financial liabilities due for payment	Note	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable and other payables (excluding estimated annual leave and deferred income)	12	(6,568,890)	(6,032,197)	-	-	-	-	(6,568,890)	(6,032,197)
Lease liabilities	16	(2,393,348)	(2,881,169)	(2,493,764)	(4,322,226)	(176,002)	(226,327)	(5,063,114)	(7,429,722)
Financial liabilities	14	(3,718,611)	-	-	-	-	-	(3,718,611)	-
Total expected outflows		(12,680,849)	(8,913,366)	(2,493,764)	(4,322,226)	(176,002)	(226,327)	(15,350,615)	(13,461,919)
Financial assets - cash flows realisable									
Cash on hand	5	35,927,097	14,693,219	-	-	-	-	35,927,097	14,693,219
Accounts receivable and other debtors	6	6,118,448	6,065,163	-	-	-	-	6,118,448	6,065,163
Financial assets	8	2,597,510	1,784,921	-	-	-	-	2,597,510	1,784,921
Total anticipated inflows		44,643,055	22,543,303	-	-	-	-	44,643,055	22,543,303
Net (outflow)/inflow		31,962,206	13,629,937	(2,493,764)	(4,322,226)	(176,002)	(226,327)	29,292,440	9,081,384

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Group to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2021, the Group had no debts. The Group also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre agreed credit terms.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

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Notes to the Financial Statements For the Year Ended 30 June 2021

21 Financial Risk Management (continued)

(c) Market risk (continued)

The Group's investments are held in the following sectors at the end of the reporting period:

	2021	2020
	\$	\$
Banking and finance	<u>2,597,510</u>	<u>1,784,921</u>

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting year would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Surplus	Equity
	\$	\$
Year ended 30 June 2021		
+/- 1% interest rates	352,971	352,971
+/- 10% in listed investments	259,751	259,751

No sensitivity analysis has been performed on foreign exchange risk as the Group has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity

Fair Values

Fair Value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Refer to Note 22 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities) are to be held until maturity and therefore the fair value figures calculated bare little relevance to the Group.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: *Financial instruments*: Recognition and measurement as detailed in the accounting policies to these financial statements, are as follows:

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Notes to the Financial Statements For the Year Ended 30 June 2021

21 Financial Risk Management (continued)

(c) Market risk (continued)

	Note	2021		2020	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Financial assets					
Financial assets at amortised cost:					
Cash on hand (i)	5	35,297,097	35,297,097	14,693,219	14,693,219
Accounts receivable and other debtors (i)	6	6,118,448	6,118,448	6,065,163	6,065,163
Fair value through OCI:					
- listed investments	22,8	2,597,510	2,597,510	1,784,921	1,784,921
Total financial assets		44,013,055	44,013,055	22,543,303	22,543,303
Financial liabilities					
Accounts payable and other payables (i)	12	6,568,890	6,568,890	6,032,197	6,032,197
Lease liabilities	16	5,063,114	5,063,114	7,429,722	7,429,722
Financial liabilities	14	3,718,611	3,718,611	-	-
Total financial liabilities		15,350,615	15,350,615	13,461,919	13,461,919

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

22 Fair Value Measurement

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Listed investments; and
- Freehold land and building

(a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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Notes to the Financial Statements For the Year Ended 30 June 2021

22 Fair Value Measurement (continued)

(b) Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by EACH are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, EACH gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which

The following tables provide the fair values of EACH's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
30 June 2021					
Recurring fair value measurements					
Financial assets					
Listed Investments	8	2,597,510	-	-	2,597,510
Total financial assets recognised at fair value		2,597,510	-	-	2,597,510
Non-Financial assets					
Freehold land	11	-	23,994,178	-	23,994,178
Freehold buildings	11	-	14,520,880	-	14,520,880
Total non-financial assets recognised at fair value		-	38,515,058	-	38,515,058
30 June 2020					
Recurring fair value measurements					
Financial assets					
Listed Investments	9	1,784,921	-	-	1,784,921
Total financial assets recognised at fair value		1,784,921	-	-	1,784,921
Non-Financial assets					
Freehold land	11	-	22,864,775	-	22,864,775
Freehold buildings	11	-	15,091,577	-	15,091,577
Total non-financial assets recognised at fair value		-	37,956,352	-	37,956,352

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Notes to the Financial Statements For the Year Ended 30 June 2021

23 Cash Flow Information

Reconciliation of Cash Flow from operations with profit from Ordinary Activities:

	2021	2020
	\$	\$
Profit for the year	16,015,845	7,526,170
Non-cash flows in profit:		
- depreciation	5,451,108	5,732,473
- bad and doubtful debts	(446,135)	551,353
- loss / (gain) on disposal of property, plant and equipment	194,849	(96,810)
- lease liability interest expense	165,804	204,709
- write off of property, plant and equipment	-	850,162
- impairment loss	158,343	-
Increase / decrease in assets and liabilities:		
- decrease / (increase) in trade and other receivables	392,850	(4,125,043)
- increase in inventories	(58,031)	(6,623)
- increase in contract assets	(1,847,634)	(156,394)
- decrease / (increase) in other assets	2,015,408	(3,715,893)
- increase / (decrease) in trade and other payables	536,693	(1,622,656)
- (decrease) / increase in contract liabilities	(460,193)	1,216,767
- increase in financial liabilities	3,718,611	-
- increase in provisions	2,027,619	48,236
Cash flow provided by operations	<u>27,865,137</u>	<u>6,406,451</u>

24 Reserves

(a) Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets.

(b) Financial asset reserve

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as Fair Value Through Other Comprehensive Income.

(c) Analysis of Each Class Reserve

	2021	2020
	\$	\$
Revaluation gains / (losses) on listed investment	<u>808,226</u>	<u>(694,557)</u>

25 Remuneration of the Auditor

Remuneration of the auditor for:

- auditing reviewing and compiling the financial reports	93,000	85,000
- other services	-	17,000
	<u>93,000</u>	<u>102,000</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

26 Interests in Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by EACH. The proportion of ownership interests held equals the voting rights held by EACH. The subsidiary's principal place of business is also its country of incorporation.

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
Subsidiaries:			
EACH Housing Limited*	Australia	100	100
Clinical Psychology Solutions Pty Limited	Australia	100	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

The Group acquired 100% of the ordinary share capital in Clinical Psychology Solutions Pty Limited on 1 November 2020 for a purchase price of \$200,000. The Group has assessed that it controls the acquired entity and therefore consolidates all balances. Goodwill of \$158,343 was recognised on acquisition and subsequently impaired.

27 Members' Guarantee

The Group is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding's and obligations of the entity. At 30 June 2021 the total number of members was 121 members including 30 associate members (2020: 128 total & 36 associate members).

28 Statutory Information

The entity is a company limited by guarantee.

The registered office of the company is:

EACH
Building 1 Level 120
Melbourne Street
Ringwood VIC 3134

The principal place of business is Victoria.

EACH

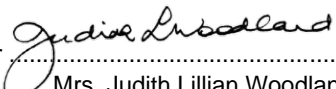
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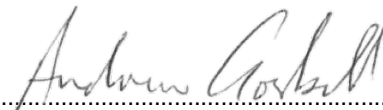
Directors' Declaration

The directors of EACH declare that:

1. The financial statements and notes as set out on pages 11 - 44, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of EACH's financial position as at 30 June 2021 and of the performance and cash flows for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that EACH will be able to pay its debts as and when they become due and payable.

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

Director 
.....
Mrs. Judith Lillian Woodland (Chair)

Director 
.....
Dr. Andrew Gosbell (Deputy Chair)

Dated 29 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EACH LIMITED

Opinion

We have audited the financial report of EACH Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended, and
- b. complying with Australian Accounting Standards 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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional & 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, 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 accordingly we do not express any form of assurance conclusion thereon.

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

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

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



Accountants & Advisors

Take the lead

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.

ShineWing Australia

ShineWing Australia
Chartered Accountants

A handwritten signature in black ink, appearing to read 'H Underwood'.

Hayley Underwood
Partner

Melbourne, 3 November 2021