financial report

20/21

Bravehearts
Educate Empower Protect Our Kids

Bravehearts Foundation Limited
ABN 41 496 913 890

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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Entity's Details

ABN 41 496 913 890
ACN 607 315 917

The registered office of the entity is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

The principal place of business is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

Bravehearts Foundation Limited

ABN 41 496 913 890

DIRECTORS' REPORT

Your directors present this report to the members of the Bravehearts Foundation Limited for the year ended 30 June 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Board	Date appointed	Date of cessation	ASIC	ACNC	A	B
Vanessa Garrard	21/03/2018		Y	Y	7	8
Hetty Johnston	15/11/2001	12/04/2021	Y	Y	6	6
Andrew George Hay	19/10/2016		Y	Y	8	8
Gemma Cook	9/04/2010		N	Y	8	8
Scott Daniel Chapman	22/06/2016	18/06/2020	Y	Y	0	0
Robert Molhoek	19/06/2015		Y	Y	5	8
Jemima Harris (Company Secretary)	22/03/2019		Co Sec	Y	7	8

A - Number of meetings attended during the year

B - Number of meetings held during the time the director held office during the year

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

Directors' qualifications, experience and special responsibilities

Name	Qualifications		Responsibilities
Vanessa Garrard		Vanessa Garrard is an Australian entrepreneur and a leader in the consumer products industry. Vanessa is the founder and Global CEO of SourceHub Group which recently acquired OZtrail, Australia's #1 Camping & Outdoor Leisure Products Brand. Her passion for business and developing products with proven appeal to consumers has seen Vanessa ranked in Australia's Top 30 Female Entrepreneurs list, BRW Fast 100 lists, and in 2013 she was named the Australian EY Entrepreneur of the Year for Industry. More recently Vanessa was named in the Australian Financial Review 100 Women of Influence. With over 25 years of experience in building businesses across Australia, China, UK, Europe & US, Vanessa understands what it takes to build and grow a global business.	Chair from 29 June 2019
Hetty Johnston	GAICD, FAICGP, JP (Qual)	Hetty is the founder having established Bravehearts in 1996. A woman of passion and determination who has succeeded in highlighting the crime of paedophilia and child sexual assault to media, families, schools and the general community both nationally and internationally. Hetty's accolades include 2015 Queensland Australian of the Year and 2014 Awarded Member of the Order of Australia (AM).	Chair until 22 March 2019
Andrew George Hay	Bachelor of Commerce, Bachelor of Laws and Graduate Diploma, Applied Finance and Investment, MAICD	Andrew heads the corporate advisory team for top tier law firm Clayton Utz in Brisbane and leads the firm's Agribusiness and Japan practice groups nationally, with over 25 years' experience as a corporate lawyer, Andrew has advised many of Australia's leading companies in corporate governance and the formal application of ethical standards. He brings a high skill level of corporate professionalism that complement Bravehearts' existing leadership team. Andrew is also Chairman of the Adam Scott Foundation, which provides life opportunities for Australian youth; and is President of the Australia-Japan Society (Queensland) Inc.	Deputy Chair
Gemma Cook	Bachelor of Commerce, Graduate Diploma of Chartered Accounting	Gemma is a Associate Director in the Business Services division of Bentleys, with over 15 years of experience in the accounting profession. Her career includes experience in primary production, medical practice and a range of service entities including retail and construction.	Treasurer
Robert Molhoek	Queensland State Member	Elected in 2012, Rob is the Queensland State Member for Southport and Deputy Chairman of the Transportation and Utilities. In his last term he was the Assistant Minister for Child Safety and played a key role in reviewing the reforms proposed as a result of the Carmody Commission into Child Safety Practices, before taking on the role of Assistant Minster for Planning Reform. Rob joined the board of Bravehearts in September 2004.	
Jemima Harris		Jemima is a senior lawyer and executive leader with a strong interest in governance and the not-for-profit sector. She is an experienced commercial lawyer and consultant, recognised for her pragmatic approach, commercial acumen, innovative thinking and enthusiasm for helping others.	Company Secretary from 22 March 2019

Bravehearts Foundation Limited
ABN 41 496 913 890

DIRECTORS' REPORT

Short- and long-term objectives and strategy

The company's short- and long-term **objectives** are to:

- To prevent child sexual assault in our society
- To make Australia the safest place in the world to raise a child

The company's **strategy** for achieving these objectives.

Bravehearts has been actively contributing to the provision of child sexual assault services throughout the nation since 1997. As the first and largest registered charity specifically and holistically dedicated to addressing this issue in Australia, Bravehearts exists to protect Australian children against sexual harm. All activities fall under 'The 3 Piers' to Prevention; Educate, Empower, Protect – Solid Foundations to Make Australia the safest place in the world to raise a child.

Our activities include but are not limited to:

➤ **Educate:**

- Early childhood (aged 3-8) 'Ditto's Keep Safe Adventure' primary and pre-school based personal safety programs including cyber-safety.

- Ditto-In-A-Box teacher resources mapped to the national curriculum.

- Personal Safety Programs for older children & young people and specific programs aimed at Indigenous children

➤ **Empower:**

- Specialist advocacy support services for survivors and victims of child sexual assault and their families including a specialist supported child sexual assault 1800 crisis line.

- Tiered Child sexual assault awareness, support and response training and risk management policy and procedure training and services for all sectors in the community.

- Early intervention program for young people engaging in, or at risk of engaging in, harmful sexual behaviours (Turning Corners Program)

- Specialist child sexual assault counselling is available to all children, adults and their non-offending family support

➤ **Protect:**

- Alternative reporting schemes including, Sexual Assault Disclosure Scheme (assisting with the reporting of historical child sexual assault offences) and Join the Dots (supporting young people report concerning online behaviour)

- Policy and Legislative Reform (Online and Offline) - collaboration with State Government departments and agencies.

Principal activities

The company's principal activities during the year were:

- Provision of Education programs to children and young people aged 3 – 17 years of age utilising incursion programs and online learning platforms.

- Provision of support and advice via our National 1800 number across Australia

- Delivery of Counselling services both face to face and via telephone counselling

- Provision of Training via face to face and online learning platforms.

- Providing Risk Management Assessments and delivering associated training and education programs to mitigate the risk in partnership with EY.

- Provision of Advocacy Support through our Case Management team to support clients and families wanting support in a range of life domains.

- Increasing community awareness via our major campaigns and utilising all forms of media including our social media platforms.

- Lobbying all levels of government across Australia for legislative reform and for review of institutional practices that are not in the best interest of the child.

- Fundraising through grants from Commonwealth, State and Local Governments, gifts, donations, legacies, philanthropic grants, annual appeals and regular giving programs.

- Establishing new and innovative treatment programs to prevent the occurrence of child sexual assault.

- Developing partnerships with expert organisation to create analytical software that will reduce the administrative efforts involved in identifying children at risk and thus reducing the number of children subject to child sexual assault.

Bravehearts Foundation Limited
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DIRECTORS' REPORT

Performance measures

The directors use performance measures to assess the financial sustainability of the company whether the company's short-term and long term objectives are being achieved and:

> To assess the output performance of service activities
> To assess relative amounts of company expenditure applied to service activities
> To assess the various sources that revenue is derived from

The performance against these key performance indicators is as follows:	2021 Actual	2020 Actual
Proportion of revenue provided by:		
. Federal and State Government Grants	45.86%	42.89%
. Community Grants, Donations and Fundraising	24.52%	31.24%
. Service Fees	15.43%	15.60%
. Other Income	14.19%	10.27%
Proportion of expenditure spent on:		
. Education	17.0%	19.2%
. Empowerment	54.0%	50.2%
. Protection	7.0%	7.2%
. Awareness and Fundraising	11.0%	12.7%
. Enabling	11.0%	10.8%
Education Programme		
. Number of children attended Ditto Show	102,212	79,735
. Number of schools Ditto Show visited	1,168	1,109
. Cumulative number of children attended Ditto Show to date	1,151,592	1,049,380
Therapeutic Services		
. Sessions delivered	3,816	3,721
Child Protection Training		
. Clients Engaged in facilitated workshops	12,741	7,020
. Clients Engaged in online courses	4,615	4,338
Case Management:		
. Number of clients	419	254
Intake and Support Line		
. Support phone calls received	4,912	8,526
Research Policy and Lobbying:		
. Submissions to Inquiries and Reviews	16	26
. Conference and forum participation	59	13
. Completed research and position papers	1	2

Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2021 the total amount that members of the company were liable to contribute if the company was wound up was $20

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the board of Directors

Director

Dated this 29th day of September 2021

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

AUDITOR'S INDEPENDENCE DECLARATION UNDER THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF BRAVEHEARTS FOUNDATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

i. 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. any applicable code of professional conduct in relation to the audit.

Connect National Audit Pty Ltd
Authorised Audit Company No. 521888

Lee-Ann Dippenaar BCom CA RCA
Audit Principal

Dated this 29th day of September 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue	2	8,206,464	7,205,195
Employee provisions expense		5,471,103	5,101,140
Depreciation expense	10	130,763	133,795
Depreciation Right of Use Assets	12	90,936	22,694
Amortisation expense	11	561	1,782
Contractor and consultancy expenses		172,350	110,660
Interest expense		2,721	2,996
Motor vehicle expense		89,395	80,379
Utilities expense		81,793	75,167
Rental expense		113,156	139,909
Staff training and recruitment expenses		76,722	37,559
Audit, legal and consultancy fees		265,197	62,249
Sundry expenses		485,813	498,953
Technology and communications expenses		221,952	248,566
Community awareness and fundraising expenses		360,341	263,970
Travel and accommodation expenses		2,575	5,497
Cost of goods sold and distributed		98,234	92,283
Total expenses		7,663,613	6,877,599
Current year surplus / (deficit) before income tax		542,851	327,596
Income tax expense	4	-	-
Net current year surplus / (deficit)		542,851	327,596
Other comprehensive income			
Fair value gains / (losses) on financial assets at fair value through other comprehensive income, net of tax		121,957	(78,914)
Total other comprehensive income / (loss) for the year		121,957	(78,914)
Total comprehensive income / (loss) for the year attributable to the members of the entity		664,808	248,682

The accompanying notes form part of these financial statements

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	6	2,858,036	1,094,705
Accounts receivable and other debtors	7	253,506	121,937
Inventories on hand	8	87,557	118,181
Other current assets	9	128,573	361,385
TOTAL CURRENT ASSETS		3,327,672	1,696,208
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,545,906	2,575,790
Intangible assets	11	327	889
Right of use assets	12	769,683	213,988
Financial assets	13	1,281,005	892,675
TOTAL NON-CURRENT ASSETS		4,596,921	3,683,342
TOTAL ASSETS		7,924,593	5,379,550
CURRENT LIABILITIES			
Accounts payable and other payables	14	2,496,397	1,295,128
Lease Liabilities	15	138,332	68,179
Employee Provisions	16	328,622	426,988
TOTAL CURRENT LIABILITIES		2,963,351	1,790,295
NON-CURRENT LIABILITIES			
Lease Liabilities	15	567,708	127,639
Employee Provisions	16	79,247	62,137
Borrowings		250,000	-
TOTAL NON-CURRENT LIABILITIES		896,955	189,776
TOTAL LIABILITIES		3,860,306	1,980,071
NET ASSETS		**4,064,288**	**3,399,479**
EQUITY			
Retained surplus		4,064,288	3,399,479
TOTAL EQUITY		**4,064,288**	**3,399,479**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Retained Surplus $	Total $
Balance at 30 June 2019	3,150,797	3,150,797
Comprehensive Income		
Net surplus / (deficit) for the year	327,596	327,596
Other Comprehensive loss for the year	(78,914)	(78,914)
Total comprehensive income for the year	248,682	248,682
Balance at 30 June 2020	3,399,479	3,399,479
Comprehensive income		
Net surplus / (deficit) for the year	542,851	542,851
Other Comprehensive Income for the year	121,957	121,957
Total comprehensive income for the year	664,808	664,808
Balance at 30 June 2021	4,064,288	4,064,288

The accompanying notes form part of these financial statements

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		861,029	1,434,073
Operating grants receipts		5,380,884	3,523,526
Receipts from sale of merchandise stock		415,286	47,391
Donations and fundraising received		1,261,342	1,367,512
COVID - 19 Government assistance		1,289,100	375,500
Payments to suppliers and employees		(7,300,672)	(7,080,531)
Distributions received		6,071	13,533
Interest received		931	4,325
Interest paid		(2,721)	(3,210)
Net cash provided by / (used in) operating activities	20	1,911,250	(317,881)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(69,255)	(399,437)
Purchase of financial assets		(545,936)	(556,115)
Sale of financial assets		385,306	506,368
Net cash (used in)/provided by investing activities		(229,885)	(449,184)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(168,033)	(2,219)
Proceeds from borrowings		250,000	-
Net cash (used in)/provided by financing activities		81,967	(2,219)
Net increase / (decrease) in cash and cash equivalents		1,763,332	(769,284)
Cash and cash equivalents at beginning of financial year		1,094,705	1,863,989
Cash and cash equivalents at end of financial year	6	2,858,037	1,094,705

The accompanying notes form part of these financial statements

The financial statements cover Bravehearts Foundation Limited as an individual entity, incorporated and domiciled in Australia. Bravehearts Foundation Limited is a company limited by guarantee incorporated under Corporations Act 2001.

The financial statements were authorised for issue on 29th September 2021 by the directors of the company.

NOTE 1: STATEMENT 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 company is a not-for-profit entity 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 cashflow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

Where Bravehearts Foundation Limited receives non-reciprocal contributions of assets from the government and other parties for no or nominal value these assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service and the sale of goods is recognised upon the delivery of the service / goods to customers.

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

b) Inventories on Hand

Inventories are measured at the lower of cost and current replacement value.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

d) Property, Plant and Equipment

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

Property

Buildings are shown at their fair value at date of acquisition less subsequent depreciation.

Increases in the carrying amount arising on revaluation of buildings is 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 revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset, as assessed by the directors, at the date it is acquired.

Plant and Equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

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

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings, is depreciated on a straight-line basis over the asset's useful life to the company, 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 lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Property	2.5 - 10%
Plant and Equipment	33.33% - 40%
Motor Vehicles	12.50%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

e) Intangible Assets

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

f) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and concessionary leases of low-value. Lease payments on these assets are expensed to profit or loss as incurred.

g) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

h) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified as at fair value through profit or loss, in which case transaction costs are recognised as expenses in 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.

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 15.63.

Classification and Subsequent Measurement

(i) Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or

- fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;

- held for trading; or

- initially designated as at fair value through the profit or loss.

All other 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 is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;

- part of a portfolio where there is an actual pattern of short-term profit taking; or

- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The change in fair value of the financial liability attribute to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

(ii) Financial asset

Financial assets are subsequently measured at:

- amortised cost;

- fair value through other comprehensive income; or

- fair value through profit and loss.

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and

- the business model for managing the financial assets.

A financial assets is subsequently measured at amortised cost when it meets the following conditions:

- 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.

A financial assets is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- 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 conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Bravehearts initially designates financial instruments as measured at their fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets of 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 was documented appropriately, so the performance of the financial liability that was 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

(iii) Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the company made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with Braveheart's accounting policy.

Derecognition

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

(i) Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie 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 or payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(ii) 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 risks and rewards of ownership of the asset have been substantially transferred; and

- the company no longer controls the asset (ie 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 through 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 investments revaluation reserve is classified to profit or loss.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows - that is, they are specialised assets held for continuing use of their service capacity - the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual 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.

j) Employee Provisions

Short-term Employee Benefits

Provision is made for the company'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 twelve 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.

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

Other Long-Term Employee Provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, 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 part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company 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.

k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of six months or less. Barter and BBX dollar accounts are included in Cash and Cash Equivalents and valued at 75% of face value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

l) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts receivable from customers for goods sold and services rendered 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 for further discussion on the determination of impairment losses.

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

n) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company 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.

o) Comparative Figures

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

Where the company 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, must be disclosed in addition to the minimum comparative financial statements.

p) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i)Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Whilst the company experienced a downturn in income due to limited incursions for the Training and Education Teams, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date. The company received income of $1,038,600 as part of the government cash stimulus package. However the impact of the COVID-19 pandemic is ongoing and it is not practical to estimate the potential impact, if any, after the reporting date.

(ii) 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 company 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.

(iii) Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

q) Economic Dependence

The company is dependent on the Department of Communities (Queensland) and the Department of Social Services (Family Support Program) for a substantial amount of its revenue used to operate the business, together with various other grants and donations received from the community. At the date of this report, the Board has no reason to believe that the Departments and the community will not continue to support Bravehearts Foundation Limited.

r) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

s) New and Amended Accounting Policies Adopted by the Company

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

AASB 16 Leases
The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact of adoption

AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained surplus as at 1 July 2019.

s) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the company's financial statements.

	Note	2021 $	2020 $
NOTE 2: REVENUE			
Counselling services		44,774	49,507
COVID-19 Government Assistance		1,038,600	713,500
Education program fees		168,169	332,804
Donations received	3	1,306,736	1,348,505
Fundraising Income		189,696	50,694
Grant Income - Qld Department of Families		1,307,621	1,204,765
Grant income - Redress		1,066,413	911,474
Grant Income - Other Government		1,399,550	943,683
Grant Income - Community		492,837	821,833
Dividend distributions		22,358	20,956
Profit on sale of investments		99,893	58,069
Interest revenue		931	4,325
Merchandise sales		381,054	43,998
Training and consulting		672,142	686,161
Other Income		25,703	16,001
		8,206,464	7,205,195

NOTE 3: SURPLUS / (DEFICIT) FOR THE YEAR

		2021 $	2020 $
Significant revenue			
Donations received as pro-bono services and office space in kind		235,089	66,622
Total donations received in kind		235,089	66,622

NOTE 4: INCOME TAX EXPENSES

		2021 $	2020 $
Current tax	1r	-	-

Bravehearts Foundation Limited is exempt from income tax

NOTE 5: AUDITORS' FEES

Remuneration of the auditor of the company for:

		2021 $	2020 $
- auditing or reviewing the financial report (44% of the audit fee, $15,300 (2020 - $15,300), in lieu of donation).		35,000	35,000

NOTE 6: CASH AND CASH EQUIVALENTS

		2021 $	2020 $
CURRENT			
Cash at bank and in hand		2,858,036	1,094,705
Short-term bank deposits		-	-
	21	2,858,036	1,094,705

	Note	2021 $	2020 $
NOTE 7: ACCOUNTS RECEIVABLE AND OTHER DEBTORS			
CURRENT			
Accounts receivable		253,506	121,937
Less: Provision for impairment	7a	-	-
	21	253,506	121,937

a. Provision for impairment

Movement in the provision for impairment is as follows:

	2021	2020
Opening balance - provision for impairment	-	-
- Charge for year	-	-
- Written off	-	-
Closing balance - provision for impairment	-	-

b. Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk is considered to relate to fees for counselling services.

The following table details fees and other trade debtors with ageing analysis and impairment provided thereon. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating the debt may not be fully repaid. The balances that remain within initial terms are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired				Within initial trade terms
			<30	31-60	61-90	>90	
2021							
Counselling fees	2,899	-	552	1,268	263	616	0
Education fees	67,676		38,530	20,331	3,009	5,806	
Training fees	43,059		26,079	15,840	160	980	
Childplace commission	-		-	-	-	-	
Donation	28,207		28,207	-	-	-	
Grant Funding	111,465	-	111,485	-	-	-	-
Other	379	-	-	218	-	162	-
	253,605	-	204,853	37,667	3,422	7,574	0
2020							
Counselling fees	2,467	-	-	156	-	598	1,713
Education fees	115,738	-	-	450	-	880	114,408
Training fees	2,870	-	-	-	-	1,076	1,794
Childplace fees	-	-	-	-	-	-	-
Other	862	-	-	-	-	-	862
	121,937	-	-	606	-	2,554	118,777

NOTE 8: INVENTORIES	2021 $	2020 $
CURRENT		
At replacement value	87,557	118,181
	87,557	118,181

NOTE 9: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	67,725	57,991
Deposits held	45,650	10,631
Accrued income	15,198	292,763
	128,573	361,385

	Note	2021 $	2020 $
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
Building - at cost		417,375	417,375
Building - at directors' valuation	23	2,467,877	2,467,877
Accumulated depreciation		(505,058)	(430,570)
		2,380,194	2,454,678
Plant and equipment - at cost		331,179	350,943
Accumulated depreciation		(249,974)	(285,357)
		81,205	65,586
Motor vehicles - at cost		335,651	208,434
Motor vehicles - at directors' valuation		42,199	42,199
Accumulated depreciation		(293,343)	(195,105)
		84,507	55,528
Total Property, plant and equipment		2,545,906	2,575,790

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building	Plant & Equipment	Motor Vehicles	Leased Motor Vehicles	Total
	$	$	$	$	$
Balance at 30 June 2019	2,139,078	102,736	70,806	72,879	2,385,499
Additions	386,057	13,380	-	-	399,437
Disposals	-	-	(2,472)	-	(2,472)
Transfer to right of use asset	-	-	-	(72,879)	(72,879)
Depreciation expense	(70,459)	(50,530)	(12,806)	-	(133,795)
Balance at 30 June 2020	2,454,678	65,586	55,528	-	2,575,790
Opening Balance at 1 July 2020	2,454,676	65,586	55,528	-	2,575,790
Additions	-	47,891	21,364	-	69,255
Disposals	-	-	-	-	-
Transfer from right of use asset	-	-	31,624	-	31,624
Depreciation expense	74,482	32,272	24,009	-	130,763
Balance at 30 June 2021	2,380,194	81,205	84,507	-	2,545,906

Buildings are located at 9 Byth Street Arundel. The land is sub-leased from the Gold Coast City Council with significantly below market terms and conditions principally to enable it to further its objectives. The Gold Coast City Council lease this land from the Queensland State Government. The lease expired in August 2020 and has been renewed until 8 October 2046. As outlined in note 1(f), the company has elected to measure this lease at cost.

	2021	2020
NOTE 11: INTANGIBLE ASSETS		
Computer software - at cost	1,682	23,659
Accumulated amortisation	(1,355)	(22,770)
Net carrying amount	327	889
NOTE 12: RIGHT OF USE ASSETS		
Right of Use Assets Leased MV	31,856	137,709
Less: acc Dep Right of Use Asset MV	(15,928)	(82,044)
Net carrying amount	15,928	55,665
Right of Use Asset Offices	763,986	81,600
Less: acc Dep Right of Use Asset LO	(70,513)	-
Net carrying amount	693,473	81,600
Right of Use Assets Computer Eq	82,203	82,203
Less: acc Dep Right of Use Asset CE	(21,921)	(5,480)
Net carrying amount	60,282	76,723
Total Right of use assets	769,683	213,988

The company leases other office premises with a term of 5 years with an option to extend. The company leases other premises under agreements of less than 2 years.

The company has low value leases and as outlined in note 1 (f) these have been expensed through profit and loss as incurred.

The company leases motor vehicles under finance lease agreements. At the end of the leases the company may, at its option, purchase the vehicles. The leased vehicles secure the obligations under the leases.

The company leases computer equipment with terms of 5 years.

	Note	2021 $	2020 $
NOTE 13: FINANCIAL ASSETS			
NON-CURRENT			
Financial assets measured at fair value through other comprehensive income	23	1,281,005	892,675
Net carrying amount		1,281,005	892,675

NOTE 14: ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2021 $	2020 $
CURRENT			
Unsecured liabilities			
Accounts payable and other payables		833,393	374,204
Unexpended grants and deferred income		1,663,004	920,924
TOTAL CURRENT ACCOUNTS PAYABLE		2,496,397	1,295,128
a. Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
Total current		2,496,397	1,295,128
Total non-current		-	-
		2,496,397	1,295,128
Less: Unexpended grants and deferred income		(1,663,004)	(920,924)
Financial liabilities as accounts payable and other payables	21	833,393	374,204

The average credit period on accounts payable and other payables is thirty days.
No interest is payable on outstanding payables during this period.

NOTE 15: LEASE LIABILITIES

	Note	2021 $	2020 $
CURRENT			
Lease liability		138,332	68,179
NON-CURRENT			
Lease liability		567,708	127,639
TOTAL LEASE LIABILITIES	21	706,040	195,818

NOTE 16: EMPLOYEE PROVISIONS

	Note	2021 $	2020 $
CURRENT			
Employee provisions - annual leave entitlements		245,185	359,219
Employee provisions - long service leave entitlements		83,437	67,769
		328,622	426,988
NON-CURRENT			
Employee provisions - long service leave entitlements		79,247	62,137
TOTAL EMPLOYEE PROVISIONS		407,869	489,125
Analysis of employee provisions			
Opening balance		489,125	468,771
Additional provisions		236,106	264,204
Amounts used		(317,362)	(243,850)
Closing balance		407,869	489,125

Provision for employee benefits

Provision for employee benefits represents 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 company 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 company 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.

	Note	2021	2020
		$	$

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities nor contingent assets at the reporting date.

NOTE 18: EVENTS AFTER THE BALANCE SHEET DATE

The impact of COVID-19 is ongoing and it is not practical to estimate the potential impact, if any, after the reporting period.

The Directors are not aware of any other significant events since the end of the reporting period.

NOTE 19: RELATED PARTY TRANSACTIONS

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its board members, is considered key management personnel.

	2021 $	2020 $
Key management personnel compensation:		
- short term benefits	1,120,158	896,802

b. Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

	2021 $	2020 $
Bravehearts entered into a tenancy agreement with Hetty Johnston for the Springwood office in Brisbane. Rent paid to her during the year was:	32 760	32 760

NOTE 20: CASH FLOW INFORMATION

a. Reconciliation of Cash Flow from Operations with net current year deficit

	2021 $	2020 $
Current year surplus/(deficit)	542 861	327 596
Cash flows excluded from current year surplus		
- Depreciation and amortisation expense	222 261	158,271
- Profit on sale of investments	(99 893)	(58,080)
- Distributions reinvested	(5 650)	(6,679)
- Loss on sale of Property Plant and Equipment	-	2 472
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(131,569)	212,199
(Increase)/decrease in other current assets	232,612	(157,623)
(Increase)/decrease in inventories	30,624	30,588
Increase/(decrease) in accounts payable and other payables	469,169	(244,807)
Increase/(decrease) in employee provisions	(81 256)	20,354
Increase/(decrease) in unexpended grants and deferred income	742,080	(601,883)
Net cash provided by/(used in) operating activities	1,911,249	(317,881)

b. Non-cash transactions

During the year the following non-cash transactions occurred:

i. Donations in kind or pro-bono services to a value of $236,089 (2020 $66,622) were recognised during the year

These transactions are not reflected in the Statement of Cash Flows.

NOTE 21: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payables. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 $	2020 $
Financial Assets			
Cash and cash equivalents	6	2,858,036	1,094,705
Accounts receivable and other debtors	7	253,506	121,937
Financial Assets	13	1,281,005	892,675
TOTAL FINANCIAL ASSETS		4,392,547	2,109,317
Financial Liabilities			
Accounts payable and other payables	14	833,393	374,204
Financial lease liabilities	15	706,040	195,818
Borrowings		250,000	-
TOTAL FINANCIAL LIABILITIES		1,789,433	570,022

Financial Risk Management Policies

The Committee meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through it's financial instruments are credit risk and liquidity risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the committee'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 to the association.

Credit risk is managed through maintain procedures (such as utilisation of systems of approval, grating and removal of credit limits, regular monitoring of exposure against such limits and monitoring the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

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 amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. There is no collateral held by the company securing accounts receivable and other debtors. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high quality. Aggregates of such amounts are detailed in note 7.

The company has no significant concentration of risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in note 7.

b. Liquidity Risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling it's debts or otherwise meeting it's obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to operational and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid receivables.

NOTE 21: FINANCIAL RISK MANAGEMENT (cont'd)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Accounts payable and other payables (excluding employee benefits)	833,393	374,204	-	-	-	-	833,393	374,204
Financial lease liabilities	138,332	68,179	567,708	127,639	-	-	706,040	195,818
Borrowings	-	-	250,000	-	-	-	250,000	0
Total expected outflows	971,725	442,383	817,708	127,639	-	-	1,789,433	570,022
Financial assets — cash flows realisable								
Cash and cash equivalents	2,858,036	1,094,705	-	-	-	-	2,858,036	1,094,705
Accounts receivable and other debtors	253,506	121,937	-	-	-	-	253,506	121,937
Financial assets	-	-	-	-	1,281,005	892,675	1,281,005	892,675
Total anticipated inflows	3,111,542	1,216,642	0	0	1,281,005	892,675	4,392,547	2,109,317
Net (outflow)/inflow on financial instruments	2,139,817	774,259	-817,708	-127,639	1,281,005	892,675	2,603,114	1,539,295

Net Fair Values

The net fair values of financial assets and financial liabilities approximate their carrying value.

NOTE 22: CAPITAL AND LEASING COMMITMENTS

	Note	2021	2020
		$	$
a) Finance lease commitments			
Payable – minimum lease payments			
- not later than 12 months		138,332	68,179
- later than 12 months but not later than 5 years		567,708	127,639
- greater than 5 years		-	-
Minimum lease payments		706,040	195,818
Less: Future finance charges		-	-
Present value of minimum lease payments		706,040	195,818

b) Operating lease commitments

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating Lease Commitments for rental of office premises	173,843	118,574	510,899	64,004	-	-	684,742	182,578

The company has a lease agreement for Lot 10 SP161040 with the Gold Coast City Council, which expired on 30 August 2020. The lease agreement has been renewed as of the 31st August 2020 and expires on the 8th October 2046. Refer note 10.

The company leases other premises with terms under agreements of less than 2 years, refer note 12.

NOTE 23: FAIR VALUE MEASUREMENTS

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

- financial assets at fair value through other comprehensive income; and

- freehold land and buildings.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

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

The fair value 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 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.

NOTE 23: FAIR VALUE MEASUREMENTS

Valuation techniques

The company 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 the company are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

- *Income approach* converts estimated future cash flows of income and expenses into a single discounted present value.

- *Cost approach* reflects 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 an asset or liability, including assumptions about risks. When selecting a valuation technique, the company 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 an asset or liability are considered observable, whereas inputs for which market data is not available the therefore developed using the best information available about such assumptions are considered unobservable.

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

30-Jun-21	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Financial Assets					
through other comprehensive income:					
- shares in listed companies	13	1,281,005			1,281,005
Total financial assets recognised at fair value on a recurring basis		1,281,005	-	-	1,281,005
Non-financial Assets					
Land and buildings	10			2,380,194	2,380,194
Total non- financial assets recognised at fair value on a recurring basis		-	-	2,380,194	2,380,194

30-Jun-20	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Financial Assets					
Financial assets at fair value through other comprehensive income:					
- shares in listed companies	13	892,675			892,675
Total financial assets recognised at fair value on a recurring basis		892,675	-	-	892,675
Non-financial Assets					
Land and buildings	10			2,454,678	2,454,678
Total non- financial assets recognised at fair value on a recurring basis		-	-	2,454,678	2,454,678

NOTE 24: ENTITY'S DETAILS

ABN 41 496 913 890
ACN 607 315 917

The registered office of the entity is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

The principal place of business is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

NOTE 24: MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2021, the number of paid up members was 2 (2020: 2).

Bravehearts Foundation Limited
ABN 41 496 913 890

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Bravehearts Foundation Limited, the Directors declare that:

1. The financial statements and notes, as set out on pages 6 to 27 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 the financial position of the Bravehearts Foundation Limited as at 30th June 2021 and of its performance for the year ended on that date

2. There are reasonable grounds to believe that Bravehearts Foundation Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013

Director's signature: ....

Dated this 29th day of September 2021

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAVEHEARTS FOUNDATION LIMITED

Report on the Audit of the Financial Report

Qualified Opinion

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

In our opinion, except for the effects, if any, of the matters described in the Basis for Qualified Opinion Section of our report, the accompanying financial report of Bravehearts Foundation Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

(a) giving a true and fair view of the company'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 Regulations 2013.

Basis for Qualified Opinion

1. The audit report for the year ended 30 June 2020 was qualified. Accordingly, the comparative financial information and opening retained surplus amount carried forward should be read in conjunction with the 30 June 2020.

2. Donations (including those in-kind) and Fundraising are significant sources of revenue for Bravehearts Foundation Limited. Given the nature of these revenue sources, established controls over the collection of these receipts prior to entry into the financial records are limited. Accordingly, our audit procedures with respect to these revenue sources was restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to the completeness of donations of $1,306,735 donations in-kind of $235,089 (included within donations) and fundraising income of $189,696.

3. The building has been included in the financial statements as at 30 June 2021 at directors' valuation of $2,467,877 (refer note 10 to the financial statements). Whether this represents fair value is uncertain.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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 qualified opinion.

Emphasis of Matter – Economic Dependence

We draw attention to Note 1q to the financial report which states that the company is dependent on the Department of Communities (Queensland) and the Department of Social Services (Family Support Program) for a substantial amount of its revenue used to operate the business, together with various other grants and donations received form the community. Our opinion is not modified in respect of this matter.

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAVEHEARTS FOUNDATION LIMITED

Emphasis of Matter – Impact of COVID-19

We draw attention to Note 18 to the financial report, which states that the impact of the COVID-19 Pandemic is ongoing and it is not practical for the company to estimate the potential impact, if any, after the reporting period. Our opinion is not modified in respect of this matter.

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 Company'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.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Bravehearts Foundation Limited for the year ended 30 June 2021, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the website.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or have 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, omitting, misstating or obscuring them, could reasonably be expected to influence the economic decisions of primary users taken on the basis of this financial report.

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAVEHEARTS FOUNDATION LIMITED

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 controls.

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

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

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

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

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

Connect National Audit Pty Ltd
Authorised Audit Company No. 521888

Lee-Ann Dippenaar BCom CA RCA
Audit Principal

Dated this 29th day of September 2021