



The Emergency Services Foundation (CESF Pty Ltd)

Annual Report 2019/2020



better together

Background

The Emergency Services Foundation (ESF) was created in 1987 after 14 volunteer firefighters lost their lives in Ash Wednesday. It was established to:

- **Provide relief and assistance to any Victorian emergency service worker and their family who suffer hardship in the line of duty.**
- **Support research into issues aimed at improving relief and assistance and reducing hazards experienced by Victorian emergency service workers in their line of duty.**

Emergency management in Victoria today is vastly different to when the ESF was established. The legislative, social, and political environment in which we operate is increasingly complex.

Over the past two years ESF has reviewed its place and value to the sector. This year through a new skills-based Board and a new Strategic Plan ESF has been revitalized with a focus to improve the mental health and wellbeing of the Victorian emergency management sector.

Victoria depends on the skill and dedication of its 125,000 emergency workers, including approximately 100,000 volunteers¹. These are all people who care deeply about our community, contribute greatly to it and who are supported by their families to do this important work. They respond on average to 7000 calls each day made to the Triple Zero line in Victoria.

ESFs commitment to the mental health and wellbeing of everyone involved in all forms of emergency management in Victoria is because mentally healthy people and mentally healthy workplaces underpin the ability of the sector to deal with the increasingly complex emergency management needs of our community which are so evident this year.

In the course of their work emergency management workers are regularly exposed to distressing situations in addition to facing the same day to day workplace stressors and risk factors common in most work environments. It is perhaps unsurprising that there is a higher prevalence of mental injury in the emergency services, relative to the national average, as highlighted in the Beyond Blue research report *Answering the Call*, released in 2018.

In aspiring to improve the mental health and wellbeing landscape for the sector and its people, ESF recognises the responsibility of agencies as employers and works to complement and add value to their efforts as we strive to be 'better together'.

ESF is doing this by:

- **Bringing people together to collaborate**
- **Driving research to build the evidence base**
- **Fostering innovation and good practice through the translation of knowledge**
- **Forming strategic partnerships to maximise the opportunity to improve**

¹ Figures as provided by Emergency Management Victoria.

Includes volunteers from agencies Ambulance Victoria, CFA, Life



ESF is a small organisation with big ambitions. Our focused and collaborative approach to improving the sector's mental health and wellbeing is both vital and innovative and fully supported by our new Stakeholder Council, which includes the agency heads of these organisations.

Victoria Police

Country Fire Authority

Fire Rescue Victoria

State Emergency Service

DELWP Forest Fire Management

Ambulance Victoria

Australian Red Cross

Life Saving Victoria

Emergency Service Telecommunications Authority

Emergency Management Victoria

Inspector General for Emergency Management

Bushfire Recovery Victoria

Chair's Report

It is with a touch of pride that I present to you the first annual report of the ESF under my leadership.

In September 2019 under a change of Constitution ESF established a new skills-based Board which brings together a team of busy volunteers including Catherine Dunlop, Andrew Carman, Tony Walker, Tony Pearce, Deb Martindale, Ian Forsyth, Debbie Shiell and David Forbes. They have each contributed their skills and experience to assist our CEO begin transforming the Foundation and I thank them most sincerely for their commitment time and effort.

Our new model of governance which includes the Stakeholder Council is working well and through their representatives on the Board, Tony Walker and Tony Pearce, engagement and support has been strong across ESF's program.

In February we were delighted to announce the Honourable Linda Dessau, Governor of Victoria, as ESF's Patron and have her join us at our inaugural International Women's Day event where she made a very heartfelt address in celebrating the role of women in Victoria's emergency management sector.

2019 and 2020 have been incredibly challenging for everyone. In Victoria just as we thought we could draw breathe after the horrors of significant bushfires that had a profound impact on so many people, COVID-19 emerged as a new and unprecedented threat to our community and emergency management workers. ESF has not been immune. Our small staff team quickly adapted to working from home and has managed to deliver many new initiatives in these challenging circumstances including a Mindfulness program, Insight conversations, research into women's perspectives of mental health and wellbeing and the ESF Impact eNews.

Whilst we have maintained our flagship programs of the EMC conference and ESF scholarships there have been many new and successful initiatives led by ESF this year which are testament to our capacity as an independent and agile facilitator of collaboration and sector partner.

A key challenge for the Foundation continues to be fundraising. This has been highlighted by circumstances of social isolation and has had a momentous impact on our capacity to fundraise this year. Whilst great strides were made early in the year, much needs to be done to increase our fundraising capacity to sustain the Foundation. For the first time ESF was a partner in events including the MCG Stadium Stomp, AFL Emergency Services Match, and the Melbourne Firefighters Stair Climb all of which served to both raise funds and profile. We were also the beneficiary of the sale of mini figures depicting emergency service personnel and preliminary fundraising for a Side by Side Kokoda Trek, which sadly had to be postponed because of travel restrictions.

Emergency management work is high risk because of exposure to potentially traumatic events and inherent organizational stressors due to the physical nature of the work and job demands. We are determined that our work helps to improve the lives of those who help us before, during and after disasters. The benefit of our collaborative strength has become evident this year as we drive several groundbreaking areas of work with the Learning Network that fill service and evidence gaps in areas such as stigma and help seeking and lived experience.

This year we determined to hone our focus to the important areas of early intervention and transitions out of service. In the year to come we will continue to shape our expertise in these areas by building the evidence base and promoting innovative solutions that help prevent the emergence of mental health concerns and meet the needs of people sector wide. This is vitally important work and as an umbrella organization ESF is determined to add value to the 125,000 people who serve our community in emergency management roles and support the organisations they work for.



Patrick Kidd OBE OAM
Chair



CEO Report

This year ESF began the process of transformation in both governance and strategy and I am pleased to report that enormous progress has been made.

Research findings of Beyond Blue and Movember underpin all our work and informed our successful application to Chair a WorkWell Learning Network funded by WorkSafe. The Learning Network has two aims:

1. To bring emergency management organisation representatives and subject matter experts together to share resources and experiences about how to improve mental health and wellbeing across the sector.

2. To collaboratively develop and trial innovative solutions that utilise evidence and best practice to respond to address the work-related factors that influence workplace mental health and wellbeing.

The Learning Network determined that the sector would benefit from a consistent approach to helping line managers fulfill their responsibilities for nurturing mentally healthy workplaces and they worked collaboratively this year to develop the *Leading for Better Mental Health* pilot program. This is informed by a comprehensive literature review, analysis of best practice and gaps identified across the sector. By targeting team leaders this program aims to achieve a shift in mindset and behaviour which will result in mental health improvement amongst frontline workers.

The Learning Network has become the cornerstone of our collaboration in other areas as representatives work together to develop a range of sector wide initiatives.

Other highlights of the year include:

- Program of International Women's Day activities to bring together and celebrate the contribution of women to the sector and launch a research project for this cohort
- Note of thanks social media campaign developed in association with Hawthorn Football Club
- Launch of Insight conversation program which began with a virtual visit to Tisch Hospital in New York to learn from their COVID-19 response
- Launch of Impact eNews to raise awareness of ESFs program of work

- Launch of an online mental health and wellbeing knowledge hub to bring together in one place information of value to the sector
- Stigma and help seeking think tank to collaboratively design a research program in this area
- Residential wellbeing program consultation with insurers to develop a concept in this area
- Launch of an online mindfulness program which achieved close to 800 downloads
- Research report on the mental health and wellbeing perspectives of women from across the sector
- Production of a prospectus and video to engage alliance partners
- Provision of scholarships for Greg Dean (VicPol), Dennis Smith (MFB), Marcus Warner (VicSES) and Ti Hoskins (Red Cross) to build our knowledge base in an area of workplace mental health and wellbeing through exploration of best practice
- Successful grant application to host volunteer mental health and wellbeing leadership forums
- Hosting of the Emergency Management Conference which attracted 384 paid delegates and included keynote speakers Patrick Cairns, CEO at the Police Treatment Centre in the UK sponsored by BankVic and Kelly McKinney, Director Emergency Management & Resilience, NYU Langone Medical Centre NYC.

I very much look forward to ESF thriving as it resumes business as normal post COVID-19 and building on momentum achieved in this transformative year to prevent and address the unseen wounds so many people in our sector experience.



Siusan MacKenzie
Chief Executive Officer



Treasurer's Report

During the 2020 financial year the Foundation has been funded by emergency management sector agency contributions, fundraising, donations, and its investments.

The COVID-19 pandemic has somewhat reduced the opportunities for the Foundation to engage in planned and wider fundraising activities.

The net operating result for 2020 financial year is a surplus of \$532,752 (2019 loss of \$265,601).

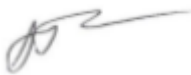
As of 30 June 2020, the Foundations net assets are \$1,454,583 (2019 \$921,831).

The Foundations invested funds are managed externally using an index manager, investing across a diversified range of local and global sectors, adopting a balanced risk profile.

The Foundation continues its work towards a sustainable future funding mix and is focused on these opportunities to ensure it can further uplift its value to the emergency services sector.

I would like to take this opportunity to thank all the Victorian emergency service workers for your continued service to our community during the past 12 months, and notably during the challenges of the COVID-19 pandemic.

The Emergency Services Foundation will continue to serve you, by aspiring to improve the mental health and wellbeing of those who protect and care for all Victorians.



Andrew Carman, CPA

Non-Executive Director

Treasurer and Company Secretary



Financial Statements

Emergency Services Foundation Directors' report 30 June 2020

Officers

The following persons were directors of the trustee company during the whole of the financial year and up to 14th October 2020, unless otherwise stated:

| Name of Director | | Date appointed | |
|-------------------------|--------|----------------|-------------------|
| Lawrence Lavelle | AM | 24.03.1987 | |
| Neil Soullier | OAM | 11.12.2002 | Ceased 25.08.2020 |
| Catherine Dunlop | | 18.03.2010 | |
| Neil Bibby | | 20.10.2011 | Ceased 05.09.2019 |
| Stephen Griffin | | 14.07.2014 | Ceased 27.08.2020 |
| Anthony (Tony) Walker | ASM | 07.04.2015 | |
| Graham Ashton | AM APM | 24.04.2017 | Ceased 01.09.2020 |
| Darrin McKenzie | | 17.05.2018 | Ceased 03.09.2020 |
| Andrew Carman | | 18.02.2019 | |
| Greg Leach | | 18.07.2019 | Ceased 27.08.2020 |
| David Forbes | | 05.09.2019 | Ceased 22.07.2020 |
| Ian Forsyth | | 05.09.2019 | |
| Patrick Kidd (Chairman) | | 05.09.2019 | |
| Deb Martindale | | 05.09.2019 | |
| Anthony Pearce | | 05.09.2019 | |
| Deborah Shiell | | 05.09.2019 | |
| Nicole Sadler | | 25.08.2020 | |

Objectives

The Emergency Services Foundation (ESF) was created in 1987 after 14 volunteer firefighters lost their lives in Ash Wednesday. It was established to:

- Provide relief and assistance to any Victorian emergency service worker and their family who suffer hardship in the line of duty
- Support research into issues aimed at improving relief and assistance and reducing hazards experienced by Victorian emergency service workers in their line of duty

Strategy for achieving the objectives

The Foundation is funded by the agencies it serves, grants and general fundraising activities. Previous scholarship holders, the ESF Alumni, assist the Emergency Services Foundation to encourage participation in, and learning from, the ESF Scholarship Scheme.

The Tynan-Eyre Memorial Fund is a recipient of donations made from time to time by the Tynan/Eyre Memorial Foundation Incorporated, but the Fund is not responsible for the fundraising activities or receipts raised by the Tynan-Eyre Memorial Foundation Incorporated.

Principal activities

The Foundation now focuses on improving the hazard of mental health and wellbeing amongst Victorian emergency management workers. It does this by bringing people together to collaborate; driving research to build the evidence base; fostering innovation and good practice through translation of knowledge; and forming strategic partnerships to maximise the opportunity to improve mental health and wellbeing for people across the sector. In addition to long term activities such as the provision of scholarships, the annual Emergency Management Conference and events for volunteer leaders, ESF also Chairs a Learning Network to increase the understanding of the key issues that challenge the mental health and wellbeing of emergency management personnel.

Additionally, the Foundation also manages the Tynan-Eyre Memorial Fund, which was established by the Emergency Services Foundation on 26 October, 1988 principally for managing funds from public donations and presenting scholarships to policemen and policewomen under 35 years of age

Performance measures

The Foundation measures its performance by the number and quality of scholarship seekers, participation at its conferences and the value of funds raised.

After Balance date events

On 5 September 2019, the directors made a decision to restructure the operations of the Emergency Services Foundation. A new trust, Emergency Services Personnel Support Fund Trust has been established. The assets and liabilities are to be transferred to this Trust, following which the existing trust will be wound up.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2020 has been received and can be found on page 3 of the financial report.

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

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Patrick Kidd
Chairman

20th October 2020
Melbourne

Auditor Independence Declaration under 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Committee of Emergency Services Foundation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- 1) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- 2) No contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Melbourne

CROWE MELBOURNE



Malcolm Matthews
Audit Partner

LAUNCESTON, Tasmania.

Date: 20 October 2020

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Emergency Services Foundation

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30 June 2020

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General information

The financial statements cover Emergency Services Foundation as an individual entity. The financial statements are presented in Australian dollars, which is Emergency Services Foundation Special Purpose's functional and presentation currency.

Emergency Services Foundation is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office & Principal place of business

Suite 7, Level 2,
20 Collins Street,
Melbourne Victoria
3000

A description of the nature of the Emergency Services Foundation's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 October 2020. The Directors have the power to amend and reissue the financial statements.

Emergency Services Foundation
Statement of profit or loss and other comprehensive income As at 30
June 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------------|------------------|
| Revenue | | | |
| Investment Income | | 22,077 | 23,239 |
| Other Income | 3 | <u>974,200</u> | <u>137,860</u> |
| Total Revenue | | <u>996,277</u> | <u>161,099</u> |
| Expenses | | | |
| Scholarships | 4(b) | - | (56,260) |
| Volunteer Leaders Forum | | - | (5,323) |
| Salary Expenses & On Costs | | (270,104) | (227,097) |
| Marketing Expenses | | - | (100,086) |
| Audit Fees | | (7,250) | (4,400) |
| Other expenses | 4(a) | <u>(181,013)</u> | <u>(73,347)</u> |
| Total Expenses | | <u>(458,367)</u> | <u>(466,513)</u> |
| Net fair value gain/(loss) on financial assets | | (5,158) | 39,812 |
| Surplus/(deficit) before income tax expense | | 532,752 | (265,601) |
| Income Tax Expense | | <u>-</u> | <u>-</u> |
| Surplus after income tax expense for the year attributable to members of Emergency Services Foundation | | 532,752 | (265,601) |
| Surplus/(deficit) before income tax expense | | 532,752 | (265,601) |
| Other comprehensive income/(loss) for the year, net of tax | | | |
| Net gain/(loss) on equity instruments designated at fair value through other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income/(loss) for the year attributed to members of Emergency Services Foundation | | <u>532,752</u> | <u>(265,601)</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

Emergency Services Foundation
Statement of financial position As at
30 June 2020

| | Note | 2020 | 2019 |
|--------------------------------------|-------------|-------------------------|-------------------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 676,257 | 94,985 |
| Trade and other receivables | | 163,700 | 28,800 |
| Prepayments | | 1,279 | 1,278 |
| Other financial assets | 5 | <u>896,108</u> | <u>879,189</u> |
| Total current assets | | <u>1,737,344</u> | <u>1,004,253</u> |
| Total assets | | <u>1,737,344</u> | <u>1,004,253</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and Other Payables | | 86,068 | 22,046 |
| Employee Benefits | 6 | 16,184 | 11,097 |
| Unearned Income | 7 | <u>170,000</u> | <u>40,000</u> |
| Total current liabilities | | <u>272,252</u> | <u>73,143</u> |
| Non-Current Liabilities | | | |
| Employee Benefits | 6 | <u>10,509</u> | <u>9,278</u> |
| Total non-current Liabilities | | <u>10,509</u> | <u>9,278</u> |
| Total liabilities | | <u>282,761</u> | <u>82,421</u> |
| Net Assets | | <u>1,454,583</u> | <u>921,831</u> |
| Equity | | | |
| Retained surplus | | 1,454,583 | 921,831 |
| Total equity | | <u>1,454,583</u> | <u>921,831</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

Emergency Services Foundation
Statement of changes in equity for
the year ended 30 June 2020

| | Asset Revaluation Reserve \$ | Retained Surplus \$ | Total Equity \$ |
|---|---|------------------------------------|--------------------------------|
| Balance at 1 July 2018 | 4,440 | 1,182,992 | 1,187,432 |
| Adjustment for change in accounting policy (note 1) | (4,440) | 4,440 | - |
| Balance at 1 July 2018 - restated | - | 1,187,432 | 1,187,432 |
| Surplus/(Deficit) after income tax expense for the year | - | (265,601) | (265,601) |
| Balance at 30 June 2019 | - | 921,831 | 921,831 |
| | | Retained Surplus \$ | Total Equity \$ |
| Balance at 1 July 2019 | | 921,831 | 921,831 |
| Surplus/(Deficit) after income tax expense for the year | | 532,752 | 473,908 |
| Balance at 30 June 2020 | | 1,454,583 | 1,395,739 |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Emergency Services Foundation
Statement of cash flows
For the year ended 30 June 2020

| | Note | 2020 | 2019 |
|--|-------------|-----------------------|----------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 955,500 | 100,586 |
| Payments to suppliers, employees & others | | (374,228) | (300,060) |
| Interest, dividends & distributions received | | <u>-</u> | <u>23,239</u> |
| Net cash provided by (used in) operating activities | | <u>581,272</u> | <u>(176,236)</u> |
| Cash flows from investing activities | | | |
| Payments for investments | | - | (96,279) |
| Proceeds from investments | | <u>-</u> | <u>333,290</u> |
| Cash flows from financing activities | | <u>-</u> | <u>237,011</u> |
| Net increase in cash and cash equivalents | | 581,272 | 60,775 |
| Cash and cash equivalents at the beginning of the financial year | | <u>94,985</u> | <u>34,209</u> |
| Cash and cash equivalents at the end of the financial year | | <u><u>676,257</u></u> | <u><u>94,985</u></u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

Establishment

- (a) The founders established a trust, known as Emergency Services Foundation on the 15 April, 1987, for public charitable purposes for the relief of poverty, sickness, injury, distress, misfortune, destitution or helplessness suffered by persons engaged in or acting under the auspices of the Victorian Police Force, the Country Fire Authority of Victoria, the Metropolitan Fire Brigades Board, the Victorian Emergency Services, the Port Emergency Services, the Ambulance Services and any other public emergency service, organisation or corporation now or here after established having a similar purpose or function and by the families of such persons, and for the provision of funding and other support to properly qualified persons engaged in relevant research and study under the auspices of the Foundation.
- (b) The Tynan-Eyre Memorial Fund was established by the Emergency Services Foundation on 26 October, 1988 principally for managing funds from public donations and presenting scholarships to policemen and policewomen under 35 years of age.
- (c) The Tynan-Eyre Memorial Fund is a recipient of donations made from time to time by the Tynan/Eyre Memorial Foundation Incorporated, but the Fund is not responsible for the fund raising activities or receipts raised by the Tynan-Eyre Memorial Foundation Incorporated.

The financial statement of the Foundation are separate financial statements and are not consolidated.

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

New or amended Accounting Standards and Interpretations adopted

The Foundation 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Foundation. The following Accounting Standards and Interpretations are most relevant to the Foundation:

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The core principle of the standard is that a Foundation will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk. The Foundation has analysed customer contracts by way of going through performance obligations within the contract, determining the transaction price relevant to performance obligations by giving reference to AASB 15.48. Based on the assessment performed, the adoption of the Accounting Standard AASB 15 and Interpretations did not have any significant impact on the Statement of Profit or Loss and Other Comprehensive Income or Statement of Financial Position of the Foundation.

Note 1. Significant accounting policies (continued)

AASB 1058 Income of Not for profit entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. This Standard establishes principles for not-for-profit entities that apply to: (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit Foundation to further its objectives; and (b) the receipt of volunteer services. The Foundation shall apply the requirements of this Standard to each transaction based on the substance of the transaction, rather than its legal form or the description given to it (e.g. grants or donations), so as to provide a faithful representation of the economic substance of the transaction. The Foundation has analysed transactions to determine whether there were any transactions which were significantly less than fair value. Principally, to enable a not-for-profit Company to further its objectives. Based on the assessment performed, the adoption of the Accounting Standard AASB 1058 and Interpretations did not have any significant impact on the Statement of Profit or Loss and Other Comprehensive Income or Statement of Financial Position of the Foundation.

Impact of adoption

AASB 15 and 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

AASB 16 Leases

The Foundation has adopted AASB 16 from 1 July 2019. The standard replaces 'AASB 117' 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). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. 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.

The Foundation does not have any leases captured under AASB 16.

Basis of preparation

In the Directors' opinion, the foundation is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Appeals Act 1998 and associated regulations and the trust deed requirements to prepare and distribute financial statements to the members of Emergency Services Foundation. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the trust deed.

Note 1. Significant accounting policies (continued)

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going Concern

Reference is made to Note 11, which details the restructure of the entity. The financial report for the year ended 30 June 2020 has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Foundation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Event revenue is recognised based on the occurrence of the event.

Agency Contributions

Contributions are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Grants

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable is recognised when received.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Foundation is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost. The Foundation recognises an allowance for expected credit losses by application of the simplified approach.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Foundation's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Foundation recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets are held within a business model whose objective is to hold the financial asset and collect its contractual cash flows and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a net basis.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Foundation for the annual reporting period ended 30 June 2020. The Foundation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements estimates and assumptions

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.

Impairment of non-financial assets

The Foundation assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Foundation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans).

Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Contract liabilities & unearned income

The liability for contract liabilities & unearned income is recognised when performance obligations under the contract with customers are not satisfied.

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 Foundation 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 Foundation operates. Other than as addressed in specific notes, 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 Foundation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic

Note 3. Revenue

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| <i>Other revenue</i> | | |
| Administration contribution | 87,500 | 91,000 |
| Sponsorship | 21,780 | 3,500 |
| Profit from conference | - | 29,746 |
| Alumni Dinner revenue | - | 1,985 |
| Membership Subscription | 60,563 | - |
| Sales Revenue | 2,160 | 11,530 |
| Worksafe Workwell Program | 275,609 | - |
| Melbourne Firefighter Stair Climb event | 175,056 | - |
| Donations | 121,466 | 100 |
| Valuing Volunteers Grant | 180,000 | |
| Other revenue | <u>50,066</u> | <u>-</u> |
| | <u>974,200</u> | <u>137,860</u> |

Note 4. Expenses

| | 2020 | 2019 |
|------------------------------------|----------------|---------------|
| | \$ | \$ |
| <i>4(a) Other Expenses</i> | | |
| Alumni costs | - | 1,295 |
| Computer & Website costs | 14,504 | 5,564 |
| Insurance | 4,816 | 4,737 |
| Office costs | 10,756 | 3,352 |
| Printing, Artwork & Stationary | 1,599 | 6,072 |
| Rent Expenses | 23,420 | 15,308 |
| Fundraising Costs | - | 6,171 |
| Allowance for expected credit loss | 40,000 | 11,200 |
| Sundry | <u>85,918</u> | <u>19,648</u> |
| Total Other Expense | <u>181,013</u> | <u>73,347</u> |
| <i>4(b) Scholarships</i> | | |
| ESF Scholarships | - | 27,760 |
| TEMF Scholarships | <u>-</u> | <u>28,500</u> |
| Total scholarships expense | <u>-</u> | <u>56,260</u> |

**Emergency Services Foundation Notes
to the financial statements
30 June 2020**

Note 5. Financial Assets

| | 2020 | 2019 |
|--|----------------|----------------|
| | \$ | \$ |
| Vanguard Investments Cash & Balanced Portfolio | <u>896,108</u> | <u>879,189</u> |
| | <u>896,108</u> | <u>879,189</u> |

Note 6. Employee Benefits Liabilities

| | 2020 | 2019 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Current | | |
| Accrued Annual Leave | <u>16,184</u> | <u>11,097</u> |
| | 16,184 | 11,097 |
| Non-Current | | |
| Provision for Long Service Leave | <u>10,509</u> | <u>9,278</u> |
| | 10,509 | 9,278 |
| | <u>26,693</u> | <u>20,375</u> |

Note 7. Current liabilities – Contract Liabilities

| | 2020 | 2019 |
|----------------------|----------------|---------------|
| | \$ | \$ |
| Contract Liabilities | <u>170,000</u> | <u>40,000</u> |

Note 8. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe, the auditor of the Foundation:

| | 2020 | 2019 |
|------------------------------------|---------------|-------------|
| | \$ | \$ |
| <i>Audit services – Crowe</i> | | |
| Audit of the financial statements | 7,250 | 4,400 |
| Other service - Accounting Service | <u>14,927</u> | 4,400 |

Note 9. Contingent liabilities

The Foundation had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 10. Commitments

The Foundation had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

Note 11. Events after the reporting period

Subsequent to balance date, the Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world including Australia and the community where the entity operates. This is considered a non-adjusting subsequent event as at 30 June 2020, however, this pandemic will likely have a financial impact for the entity in the 2020 financial year and potentially financial years beyond this date.

The scale, timing, and duration of the potential impacts on the Foundation is unknown.

Further, on 5 September 2019 the directors made a decision to restructure the operations of the Emergency Services Foundation. A new trust, Emergency Services Personnel Support Fund Trust has been established. The assets and liabilities are to be transferred to this Trust at value at transfer date, following which the existing trust will be wound up.

Responsible persons' declaration

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

- a) the Foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.
- b) the financial statements and notes set out on pages 5 to 17, present fairly the Foundation's financial position as at 30 June 2020 and its performance and cash flows for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- c) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- d) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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



Patrick Kidd
Director

20th October 2020 Melbourne

Independent Auditors Report



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Independent Auditor's Report to the Trustees of Emergency Services Foundation

Opinion

We have audited the financial report of Emergency Services Foundation, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of Emergency Services Foundation (the foundation) 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 foundation's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent detailed in Note 1 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 Foundation in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-For-Profits Commission Act 2012*, which has been given to the directors of the trustee company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the Australian Charities and Not-For-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Trustees for the Financial Report

The directors of the trustee company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of a 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 foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the foundation 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Emergency Services Foundation 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 Emergency Services Foundation'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 Emergency Services Foundation to cease to continue as a going concern.

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

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

Crowe Melbourne

CROWE MELBOURNE



MALCOLM MATTHEWS
Partner

LAUNCESTON, Tasmania.

Dated this 20th day October 2020



Emergency Services Foundation

PO Box 24216, Melbourne VIC 3001