Annual Report 2022

Creating Social Impact Together

benevolent SOCIETY

Our vision

A just society where all Australians can live their best life

Acknowledgment

The Benevolent Society acknowledges the Traditional Owners of Country throughout Australia and recognises continuing connection to land, waters and community.

We pay our respects to them and their cultures, and to Elders past and present.

Contents

Chair message

The Benevolent Society has been committed to driving positive outcomes for people and communities in Australia for more than 200 years. This commitment remains as steadfast as ever, fuelling our service delivery and advocacy work every day.

Our governance approach instils a culture that is values-based, transparent and ensures responsible decision-making. This year we made more substantial and meaningful progress toward reconciliation, a commitment we take very seriously, and which is highlighted through our RAP Partnership Strategy, First Nations Forum, Cultural Capability Framework and our First Nations Employment Strategy.

The Benevolent Society has a long history of influencing social policy. Our public policy position on guardianship for Aboriginal and Torres Strait Islander children was one of my proudest moments on the Board. This year and beyond we will re-establish ourselves as an advocate for a just society and leader of social change.

Underpinning everything we do is a compassionate and learning organisational culture, that enables us to listen and respond to the needs of the people, families and communities we support. We champion human rights and safeguarding, which will remain a significant priority for The Benevolent Society into the future.

We have continued to find ways to enhance our strategic partnerships, as well as create opportunities with new partners that share our purpose. Our partnership with the Kinchela Boys Home Aboriginal Corporation (KBHAC) came about from a relationship built in community with Aboriginal Community-Controlled Organisations (ACCO). Through the development of this relationship, we have been able to support KBHAC families and clients directly through our services and support the governance, policy and procedural governance work that is a core requirement for KBHAC and ACCO.

Since January 2021, we have worked together to develop our Family Connect & Support (FCS) program funded by the NSW Department of Communities and Justice, which was built upon developing a healing framework that will underpin our work with Aboriginal families and communities.

Channelling our shared knowledge and resources into collective goals means we are best placed to generate significant positive change at individual, community and systems levels. We are creating social impact together.

Integrating The Benevolent Society's new Transformation Agenda marked a significant shift in our work, and will build on the sustainability of the organisation. I thank the CEO and leadership team for their contributions to delivering the new strategy and transformation investment in a realistic, achievable and sustainable way.

Finally, I wish to acknowledge our Directors, Executives, Management, and staff at The Benevolent Society who have worked tirelessly to support and advocate for our clients. The passion, energy and expertise our teams in all our directorates invest into their daily work is inspiring. Thank you also to our community, corporate and government funders, and partners for their collaboration with our teams over the course of 2022.

I would also like to make special mention of the contributions Lin Hatfield Dodds made in her first full year as CEO of The Benevolent Society.

We will continue to deliver on our strategic purpose of creating better opportunities for everyone and ensuring we have the greatest social impact possible for the benefit of the people we support.

T Beresford

Tim Beresford, Chair

We will continue to create better opportunities for everyone

CEO message

Creating social impact together

Since The Benevolent Society formed in 1813, we've been committed to two things: meeting people at their point of need and working with others for social change.

We've always been innovators. We advocated for Australia's first aged pension, which was introduced by the NSW Government in 1901, the first of its kind in the world. In the early 2020s, we worked with the NSW Government again to bring Australia's first two social benefit bonds into being. And in the 2020s, we are working with a consortia of non-government organisations (NGOs) and Australian governments to better support people who experience disadvantage and to ensure the sustainability of NGOs into the future.

We've always been there when we are needed. Since 2019, Australians have dealt with fires, floods and a global pandemic. Many Australian communities have felt exhausted and traumatised over the course of this past year. In a year of lockdowns and uncertainty, our amazing staff have risen to the challenges of this year magnificently. They donned full personal protective equipment to continue to support older Australians at home. They pivoted to telehealth supports for people living with disability when face-to-face support wasn't possible.

They kept turning up through all the ups and downs of our second COVID year, bringing smiles to people's faces and working with people, families and communities at their points of need.

Our vision is of a just society where all Australians can live their best lives. That includes all Australians, and all people living in Australia. We have a particular commitment to First Nations Peoples and are learning to walk together with deep respect into a shared future. We are committed to collaboration, with other NGOs, with governments, with corporate Australia, and with communities themselves as we seek to play our part in building a just society in which everyone can thrive, and each person can connect, belong, contribute and be valued.

A new CEO brings a new direction, and this year has been no different. In response to the volatile, uncertain, complex and ambiguous environment, we developed a Transformation Agenda that maps the significant organisational shifts The Benevolent Society must make to thrive into the future. We refreshed our strategic plan, developed interdependent portfolio business plans, and put in place a new organisation-wide performance planning and development framework. These organisational building blocks will serve us well into the future.

Deep thanks to our Board for their engaged leadership again this year.

I would like to thank each of them for the way they add value to The Benevolent Society. In particular, I would like to express my gratitude to Tim Beresford, who is an engaged, focused and formidable chair. Tim has a deep care for The Benevolent Society, for its vision, its people, and the communities it serves. He leads the Board with a keen attention to public value and delivering on our vision.

I thank our executive leadership team who bring a strong and united collective stewardship to The Benevolent Society, and who work so hard. I am so glad to work with each of them, and I thank them for their commitment to excellence and collaboration, for their team leadership and for embodying our values as they lead.

And finally, a big shout out to each and every member of our staff. They are amazing! Anything we achieve as an organisation, we achieve with and through them. Their commitment to the people, families and communities we work with every day is a large part of what makes The Benevolent Society so special.

Lin Hatfield Dodds, CEO

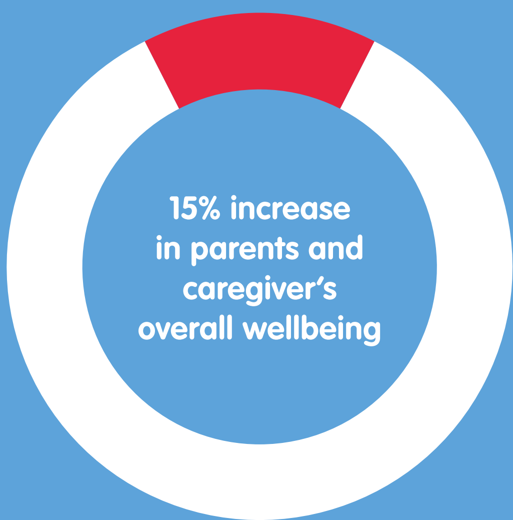
Since 1813, we've been meeting Australians at their point of need

A year of impact

Following are some of The Benevolent Society's significant achievements in 2022.

Annual client survey 2022

84% of clients reported they feel valued, respected and safe with The Benevolent Society's services



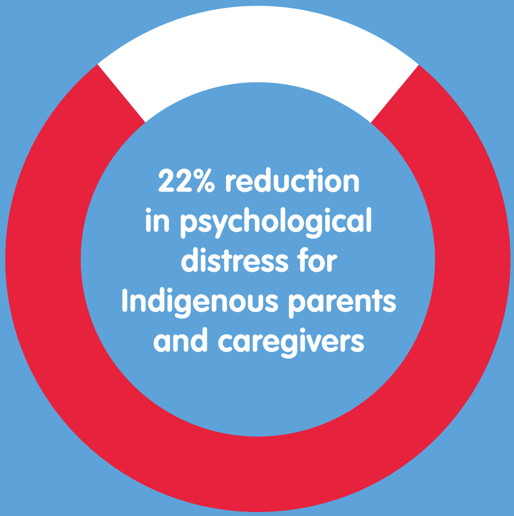
Measured using the Personal Wellbeing Index

Annual client survey 2022

77% of clients reported that The Benevolent Society is sensitive to their cultural needs

Annual client survey 2022

79% of clients reported they were supported to achieve their goals



Measured using the
Kessler Psychological Distress Scale-5

Annual client survey 2022

80% of clients reported they were satisfied with the services they received

Leading together

This year we continued to build new partnerships and extend on existing collaborations with organisations that share our values and commitment to making a meaningful difference in the lives of our clients and their carers. Combining our expertise with other sector leaders and sharing our practice wisdom enables us to make the greatest social impact.

2022 Early Years Place Impact Report and Framework

While ample research suggests integrated early years service systems should better engage disadvantaged families, surprisingly, there is little practice evidence demonstrating they work in practice.

In response to this evidentiary gap, The Benevolent Society worked with leading impact organisation Social Outcomes to develop a framework to measure the long-term social and economic value of early childhood integrated support services for disadvantaged families.

The new framework is a foundational template for developing future impact measurement practices and learnings for governments and the sector more comprehensively.

It enabled us to assess the success of The Benevolent Society's Early Years Places in Queensland, with findings released in our first Early Years Place Impact Report. The report provided preliminary indications of the potential social and economic impacts on early childhood development and child safety.

Our Early Years Places are Queensland's largest integrated early childhood support providers and have assisted disadvantaged families for more than 13 years. They service more than 4,400 young children and their families each year. More than nine per cent are from Aboriginal and Torres Strait Islander families and 33 per cent from culturally and linguistically diverse (CALD) backgrounds.*

Westpac Safer Children, Safer Communities

In November 2021, The Benevolent Society was chosen as a community partner in delivering Westpac's Safer Children, Safer Communities program.

We are working in collaboration with local partners in Caboolture (Queensland), Parkes (New South Wales) and Port Augusta (South Australia) in the design and delivery of child protection initiatives to enhance awareness, wellbeing and safety within communities experiencing disadvantage.

These initiatives draw on community strengths and identify areas of need to address child wellbeing and resilience, with the aim of reducing the risk of harm to children and young people.

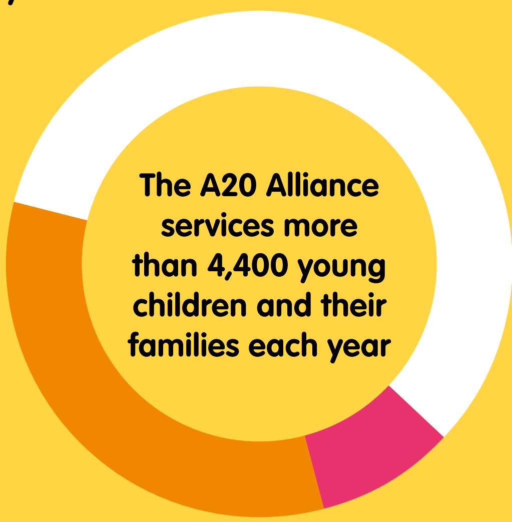
*2018/2019 figures.

A20 Alliance

The Benevolent Society is an active member of the A20 Alliance, which brings together Australia’s largest and most influential disability service providers. The group is committed to using their expertise and knowledge to shape the future of the National Disability Insurance Scheme (NDIS) and addressing the many challenges currently facing the scheme.

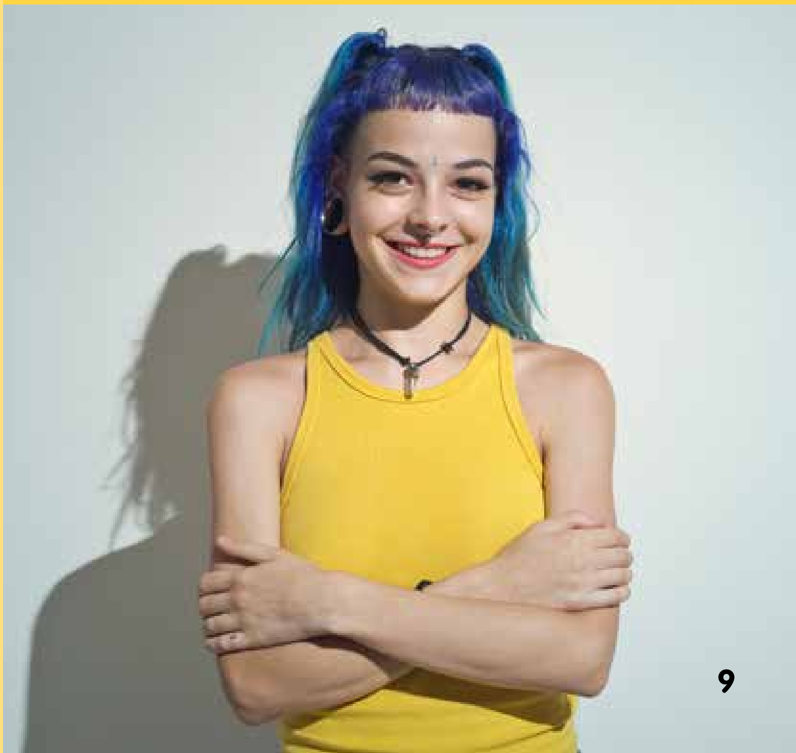
A20 supported campaigning efforts in the lead-up to the federal election, including through the ‘Defend our NDIS’ initiative, to ensure that the needs of people with disability were part of the political agenda. The Benevolent Society and other major providers have built strong relationships with the federal government and plan to work with the Commonwealth to improve this critical social program into the future.

Early Years Places



33% identify as CALD

> 9% identify as First Nations families



Case study

Meet Hui Jun

China-born Hui Jun, 96, has always been an entertainer. The former accountant sang opera professionally and now she's a TikTok star.

In 2018, her grandson, Thomas, posted her antics to their The Chainz Family account and her infectious energy soon spread.

"It blew our minds. We were being recognised in supermarkets," Thomas says.

Their most popular video has over 149 million views, and involves Hui Jun trying to sing along to various Western pop and rap clips on the internet.

Today, she has 5.9 million followers who watch her sing, dance and perform comedy from her Sydney home, where she lives with daughter, Julia, and grandson, Jamie.

Hui Jun used to get around without much assistance up until two years ago.

"It was getting harder and harder, and Mum was getting older – she needed people to help," says Julia, who has been her mother's main support since 2011.

She turned to The Benevolent Society and was linked up with Home Support Partner, Chela O'Sullivan. After working with the family to establish their needs, Chela put together a home care package.

"The home care package is not just about the client. It's about the whole family and our holistic approach to the services that they need," says Chela.

This meant coordinating regular physiotherapy services for Hui Jun, as well as weekly cleaning so the family could spend more quality time together.

"Before The Benevolent Society, we had to do everything ourselves," Julia explains. "I was with Mum every day, but I didn't know how to help her. Cherry [Hui Jun's physiotherapist] knows exactly how to help Mum to give her muscle strength. Even at 96 everything is fine; she still can walk, just slowly."

Supporting Hui Jun's mobility and taking the pressure off Julia has had a positive ripple effect in this family's lives.

"The Benevolent Society helps clients live life their way, and I'm really excited to be experiencing that journey with clients."

With the right services and a loving, supportive family, Hui Jun is able to keep singing, dancing and delighting us all.

Supporting Hui Jun's mobility and taking the pressure off Julia has had a positive ripple effect in this family's lives

Nearly 27% of our ageing clients identify as CALD

Connecting families with community and culture

The Benevolent Society continues to build relationships, respect and opportunities that focus on engaging with Aboriginal and Torres Strait Islander communities. We are committed to fostering Reconciliation through our Innovate Reconciliation Action Plan (RAP) and by supporting Aboriginal and Torres Strait Islander culture through all our services.

This year's achievements

> Developing our first Aboriginal and Torres Strait Islander Employment Strategy, which engages Indigenous Employment.

> Establishing the first Aboriginal and Torres Strait Islander Cultural Capability Framework, in consultation with our First Nations Workforce.

> Developing the RAP Partnership Strategy, embedding the principles of the Secretariat of National Aboriginal and Islander Child Care's (SNAICC) Genuine Partnerships with Aboriginal and Torres Strait Islander Community Controlled approaches.

> Engagement of First Nations consultants – BlackCard – to help leadership staff participate in formal and structured cultural learning.

> Increasing Aboriginal and Torres Strait Islander leadership in strategic positions of influence and authority, and establishing senior identified positions in Practice and Business Development.

Our partnership with the Institute for Urban Indigenous Health (IUIH)

The Benevolent Society's work with the Institute for Urban Indigenous Health (IUIH) helps Aboriginal and Torres Strait Islander families in South East Queensland access NDIS Early Childhood Approach (EC Approach) services.

The collaboration has reduced barriers to accessing services and cultivated trust within communities through a culturally meaningful and client-centred approach.

We have grown our footprint in South East Queensland, which has enabled us to assist more families in the region. The rate of NDIS plans being accessed by Aboriginal and Torres Strait Islander families through the EC Approach has continued to dramatically grow, in large part due to the cultural practices that have been embedded with all Benevolent Society staff working frontline.

With the positive impact it is having in South East Queensland, both organisations have expanded the partnership for 12 months.

Jarjums Playgroups

Our commitment to Reconciliation is also demonstrated through our early childhood education and care programs, where our teams support First Nations parents to build on early years foundations.

Jarjums is a supported playgroup for children aged 0–5 and families. Our facilitators engage parents and their children in a number of activities, including singing, dancing, reading and craft.

Jarjums celebrates and supports strong foundations in culture and language of among First Nations People.

2021–2022 snapshot

The past year has been an impactful one for The Benevolent Society. Here is a snapshot of our 2021–22 in numbers.

The Benevolent Society has:

1,196 employees in total

51 First Nations employees

154 volunteers

20,879 Early Childhood Early Intervention case plans completed

44,698 clients and family members are supported by The Benevolent Society

Putting people first

Throughout the year, our people-first services and practitioners continued to make a real difference in people's lives.

Carer Gateway

The Benevolent Society is the Carer Gateway Service Provider across metropolitan Sydney (excluding South Western Sydney and the Nepean region).

It's the first point of contact for carers seeking support and in the past year our team has helped with more than 73,000 enquiries.

These enquiries relate to services include counselling, peer support groups, online skills courses, coaching, carer directed support packages and emergency respite services.

Peer support groups have been a huge success, offering carers an opportunity to connect with other carers, as well as offering information and tools that enhance knowledge and wellbeing.

Due to COVID restrictions, the program has primarily run online but this year we were delighted to offer a three-day workshop in the Blue Mountains.

Carers were able to participate in activities such as art therapy, mindful journaling, tai chi and African drumming music therapy. Feedback was incredibly positive, with carers grateful for the experience and invaluable connections they made.

Disability Gateway

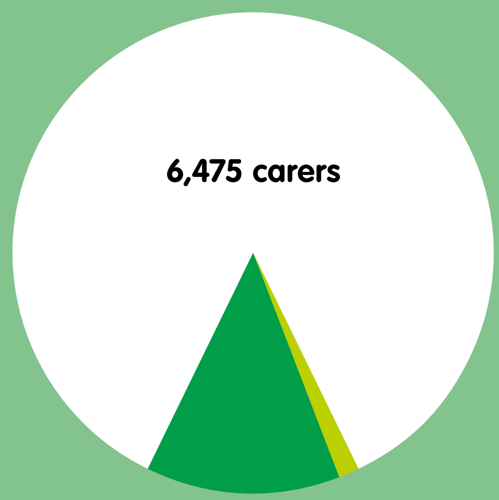
Run from The Benevolent Society's National Support Centre in Sydney, Disability Gateway is a national service supporting those with disability and their families, friends and carers, with any enquiry.

The Disability Gateway partnership team comprises 29 members, and is growing. It handled over 38,000 enquiries in the last year.

The team has been working to increase engagement across Australia and further build the referral pathway network for people with disability, their families, friends and carers.

The 2021 financial year predominantly focused on the COVID-19 pandemic and forming connections with national government and non-government entities. This year brought new opportunities to connect with state government entities and key organisations within Aboriginal and Torres Strait Islander, CALD, LGBTIQ+ and regional and remote communities.

We have programs and services to support older Australians, people with disabilities, children and families



Thalidomide Support Service

The Benevolent Society has been engaged by the Department of Health to operate the Thalidomide Support Service since 2021. It currently supports over 100 recognised thalidomide survivors to access and receive services they are entitled to.

The Benevolent Society has assisted more than 85 per cent of known thalidomide survivors in Australia.

Kenneth's story illustrates the kind of support available. After contacting the support service, the thalidomide survivor was able to find a new home that better fitted his needs as a person with a disability.

The Australian Government program aims to improve survivors' quality of life and meet their specialised needs.

"It can be tricky to understand what support is available, and once you're ready to engage it can be daunting trying to navigate the system," says Lisa, who works in our National Support Centre.

"I help guide my clients and connect them to appropriate services that are best suited to their needs."

Our clients' voices are central to everything we do

Case study

Meet Connor

The support six-year-old Connor receives from The Benevolent Society has been life-changing for him and his family.

Diagnosed with Global Developmental Delay and Autism Spectrum Disorder, his parents felt overwhelmed.

Connor struggled with interacting with his peers and would often have meltdowns. Since he began occupational therapy with The Benevolent Society in 2021, there's been a marked difference in his behaviour and communication skills.

Together with his therapist, the family discussed Connor's needs and formulated a plan to achieve their goals.

"Their patience in dealing with Connor has been fantastic, to the point where Connor looks forward to his visits and his sessions with his therapists," Connor's father, Liam, says. "Connor enjoys his time with Benevolent, and I think that's reflected in the results that we're achieving.

"The Benevolent Society's help and assistance in navigating what we have to navigate as parents with children of special needs is wonderful."

The Benevolent Society has had a positive impact not only on Connor but on his entire family.

Measured using the Strengths and Difficulties Questionnaire for children and young people

Unwavering commitment

For more than 200 years, The Benevolent Society has been there to help vulnerable people and communities live their life, their way. We are very proud of this legacy of support and advocacy for our clients and are committed to continually evolving our services to meet their needs.

Post Adoption Resource Centre's 30-year milestone

In 2021, The Benevolent Society's Post Adoption Resource Centre (PARC) proudly celebrated 30 years of supporting people who have adopted children, and those who have been adopted, in New South Wales.

The *NSW Adoption Information Act* was introduced in 1990 and lifted the veil of secrecy on Australia's history of adoption. It allowed both adopted people searching for their parents and parents whose children were adopted to find each other. PARC was established to ease these processes for people in NSW affected by adoption and by this significant legislation change.

Adoption is a lifelong issue and comes up for different people at different stages in their lives.

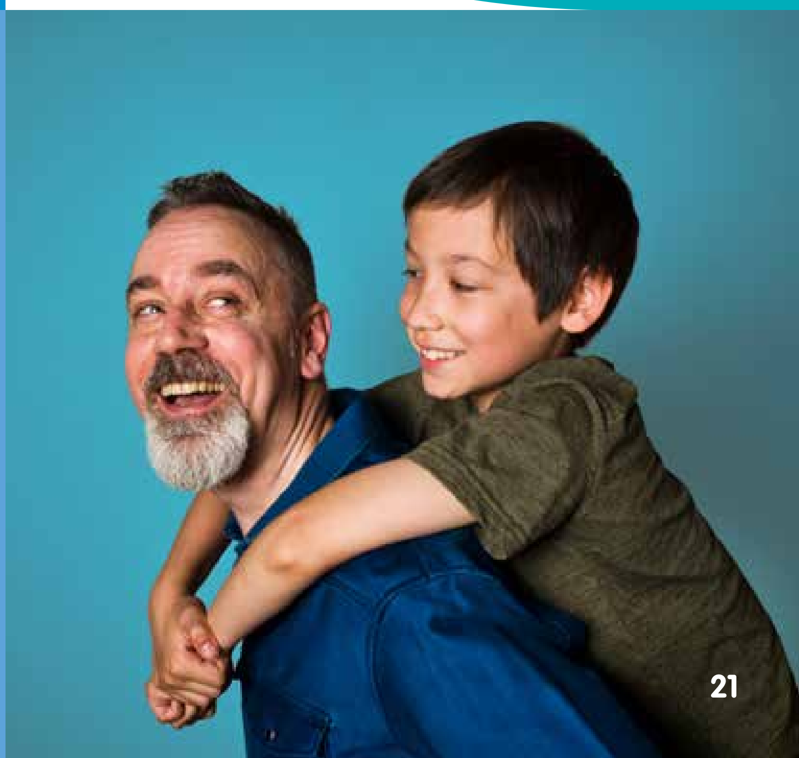
PARC offers support to people who have been adopted, as well as parents, siblings, partners and others who have been separated from family by adoption. The PARC team also travel to regional NSW to facilitate groups and offer counselling and information to people.

PARC took 400 calls in its first week of operation, with 7,000 calls received in its first year. Since then, it has supported over 75,000 people affected by adoption in NSW, providing information, counselling, intermediary services, therapeutic groups and resources. It supports more than 600 people and receives 300 enquiries per year.

Adoption is complex and no two stories are the same. To highlight this and mark the service's anniversary, the PARC team held a special event in Sydney and produced a video featuring clients telling their stories of adoption. The video shed more light on the adoption experience to help others navigate this space.

The Benevolent Society remains committed to supporting people affected by adoption through its PARC and Post Adoption Support Queensland services.

214 young people in the Fostering Young Lives program with carers



Case study

Meet the Wilke family

Kym and Brock Wilke's seven-year-old daughter, Zoe, lives with Autism Spectrum Disorder (ASD) Level 3. Profoundly deaf and non-verbal, she also has a chromosomal deletion disorder, an intellectual disability and developmental delays.

"Zoe can have severe and aggressive meltdowns," says Kym, also mother to Emma, nine, Sam, four, and Isabelle, two. "Because I was the only parent at home, I would count on Emma to babysit her siblings while I took Zoe to another room to help calm her down."

With Brock working late hours, dinner often went by the wayside and Kym's energy was spread thin. "Our family was quite isolated. We never went out … it was too difficult," she recalls.

Kym was put in touch with The Benevolent Society. Child Development Specialist Dion Tobi helps families with children aged 0–6 access NDIS support through the Early Childhood Approach (ECA) service.

"Dion did an amazing job of helping us navigate the NDIS," she says. "My daughter was very lucky to have someone like Dion in her corner fighting for her."

He was able to articulate the need for a support worker and why it was important for Zoe's ongoing development.

Since support worker, Sarah, came into their lives in 2020, the Wilkes have been busy making memories. Emma now plays tennis and does gymnastics, while Kym has the time to cook dinner and spend more time with her other children. The family even had their first weekend away.

"They're no longer stuck at home with no support," Dion says. "Zoe is the key focus, of course, but the flow-on effect for the family as a whole has been so significant."

With one-on-one support, Zoe is making real developmental progress. The family's relationships have strengthened, and Kym's confidence has blossomed.

Now Zoe is seven and has transitioned out of the ECA service, she receives NDIS funding through a different service provider. But Kym will never forget the support she received from The Benevolent Society, and especially Dion.

"Dion and The Benevolent Society's ECA service have really equipped me for the future," Kym says.

The family's relationships have strengthened, and Kym's confidence has blossomed

Financials

Contents

Directors' report

Directors' report for the year ended 30 June 2022

The Directors present their report on the consolidated entity consisting of The Benevolent Society and the entities it controlled at the end of, or during, the year ended 30 June 2022.

The Benevolent Society and its wholly-owned subsidiary, Benevolent Australia – Disability Services Limited are both registered charities and public benevolent institutions with deductible gift recipient status endorsed by the Australian Charities and Not-for-profits Commission (ACNC) and accepted by the Australian Taxation Office (ATO).

Vision and values

As Australia's first charity, The Benevolent Society is a not-for-profit organisation that has helped people, families and communities achieve positive change since 1813.

Our vision is for a just society where all Australians can live their life their way. Creating a just society means advocating for fundamental changes. For over 200 years, The Benevolent Society has pioneered new solutions to social problems and spoken out against disadvantage.

Our values guide us to stand strong, to never give up, to speak out on the issues that matter and to make a positive difference every day for people of all ages and backgrounds.

Directors

The following people were Directors of The Benevolent Society during the whole of the financial year up to the date of this report, except where noted:

- **Tim Beresford** (Chair, interim chair of the People and Culture Committee)
- **Andrew Yates** (Chair of the Audit, Finance and Risk Committee)
- **Kathleen Conlon** (Chair of the People and Culture Committee) (resigned 28 February 2022)
- **Rod Young**
- **Charles Prouse**
- **Christine Feldmanis**
- **Nancy Milne**
- **Robyn Mildon**
- **Elaine Leong** (Group Company Secretary).

All Directors are members of The Benevolent Society (see Note 20(a) on page 54 for more information).

Directors' report for the year ended 30 June 2022

Principal activities

Our principal activities are summarised in **Figure 1** below.

We provide services and support for child development and parenting, older people and people with a disability which are our main areas of focus. We work with people of all ages and backgrounds across NSW, Queensland, ACT and South Australia, delivering positive social change and quality services while influencing policy through our advocacy work.

Everything we do is underpinned by the skills of our workforce, the passion of our volunteers and the generosity of our donors, corporate partners and funders. The Benevolent Society employs 1,169 staff, the equivalent of 1,060 full time staff throughout New South Wales, ACT, Queensland and South Australia. Approximately 142 volunteers are involved in our service delivery and supporting our corporate functions at any given time during the year. We also continue to partner with a wide range of for-purpose organisations, academic bodies and government agencies.

Our strategy

Our new Strategic Plan *Better Together* sets our strategic vision for 2022–24. Building on our long experience and established strengths in supporting people, families and communities, our vision is to grow and develop The Benevolent Society in a way that enables us to future proof the organisation. Our aspiration to be an effective partner to drive social change and an influential voice in our sector, a trusted partner to governments at all levels, to make positive and proactive changes to policies and programs that impact the lives of our clients and communities; and work together with corporate, government, First Nations peoples and philanthropic partners to alleviate disadvantage and exclusion in the Australian community.

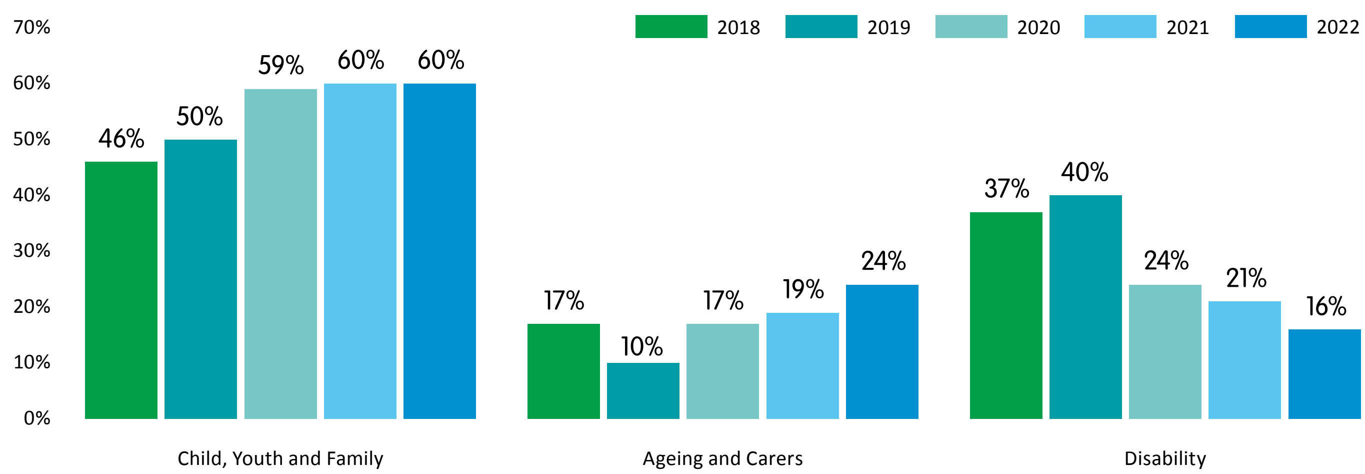
Performance

The Benevolent Society monitors performance through management reporting, performance scorecards, KPIs and benchmarks, including:

- outcome measures of service delivery;
- actual performance versus budgeted performance;
- the cost-effectiveness of fundraising activities; and
- the cost of administration and indirect costs to support operations.

We also assess client experience through a range of feedback mechanisms and regular net promoter score surveys.

Figure 1: Principle activities (percentages based on income by service)



Review of operations and results

Operating results

The Consolidated Group Deficit from continuing operations amounted to $8,264,000 (2021: Surplus $15,194,000).

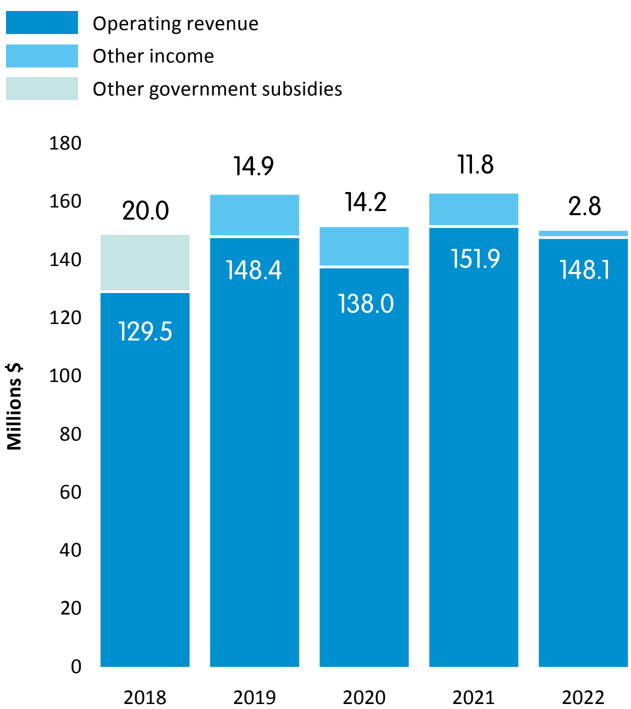
Review of operations

A review of operations of the Consolidated Group during the financial year shows total revenue decreasing by 7.6% (2021: 7.6% increase).

- Revenue from contracts with customers increased to $150,254,000 (2021: $139,417,000) due to an increase in community services funding;
- Investment revenue decreased due to an unrealised loss on investments of $6,532,000 (2021: $7,535,000 unrealised gain); and
- Other income decreased to $3,455,000 (2021: $11,780,000) due to the discontinuation of JobKeeper wage subsidy in 2021.

Operating expenses for the year increased by 7.4% (2021: 1.0% decrease) due to a increase in service delivery costs associated with the additional community services funding received.

Figure 2: Revenue



Significant changes

There was no significant change in the state of affairs of The Benevolent Society during the financial year.

Endowment investments

The Endowment Fund's purpose is to secure the long-term sustainability of The Benevolent Society and fund strategic initiatives and activities.

The Benevolent Society (TBS) manages the Endowment Fund assets through the Endowment Investment Advisory Committee (EIAC). The role of the Committee is to advise the Board on the best way to invest the Endowment assets, and to serve as an informed sounding board on investment management.

In addition to this, the EIAC also gives advice to the Board on the following aspects of the Endowment:

- investment and disbursement policy;
- investment strategy;
- selection of investment managers;
- implementation of strategy and review of outcomes; and
- reporting.

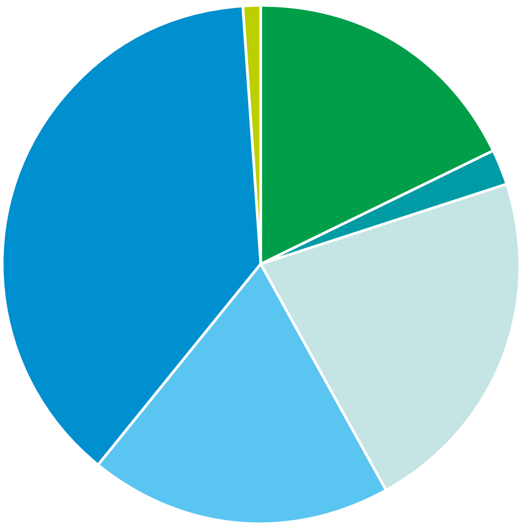
With the exception of one TBS board member, the EIAC is comprised of independent members, acting in an advisory capacity only, and appointed by the Board.

- Chair: **Sally Collier** BEc, GAICD (appointed September 2016, appointed as chair November 2020)
- **Craig Ueland** AB Ec, MBA (Hons), CFA (appointed May 2013, resigned as chair November 2020)
- **Paul Heath** SF Fin, B Com. (appointed March 2009)
- **Justin Wood** PhD Fin, B Com (Hons), CFA (resigned 9 February 2022)
- **Christine Feldmanis** (appointed 22 February 2021 – TBS Board member)
- **Louise Watson** (appointed 15 November 2021)
- **Michael Gordon** (appointed 15 November 2021).

Figure 3: Endowment Fund asset allocations

The fund allocation chart below reflects the actual allocation as at 30 June 2022 and is aligned with the Endowment Fund's strategic asset allocation.

18%	International equities
2%	Emerging markets
22%	Domestic inflation linked bonds
19%	Domestic equities
38%	Domestic cash
1%	Social impact



Investment performance

The Endowment Fund returned –2.7% (2021: 19.6%) which is in line with financial markets declining during the year. The Endowment Fund transferred $7,600,000 to working capital of which $7,000,000 was used to fund Disability Services deficits.

The Endowment Fund balance at 30 June 2022 is $72,792,000.

Research, Policy and Advocacy Advisory Committee

The Research, Policy and Advocacy Advisory Committee is a Board advisory committee. The Committee provides, amongst other things, strategic advice and focus on the development and implementation of The Benevolent Society's goal of influencing positive social change through research, social policy and advocacy.

Matters subsequent to the end of the financial year

No matter of circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or state of affairs of the group in future financial years.

Likely developments and expected results of operations

In the opinion of the Directors, there are no likely changes in The Benevolent Society's operations which may adversely affect The Benevolent Society.

Dividends

The Benevolent Society is a company limited by guarantee. It is prohibited by its Constitution from paying dividends to members.

Information on Directors

The people listed in the **Table 1** below were Directors of The Benevolent Society during the financial year and up to the date of this report.

Directors' meetings

Table 1 shows the number of Board and Board subcommittee meetings held while the person was a Director, during the year ended 30 June 2022 and the number of meetings each attended.

Remuneration of Directors

The Benevolent Society's Directors (excluding Group Company Secretary) are not remunerated.

Loans to Directors and executives

There are no loans to The Benevolent Society's Directors or executives.

Insurance of officers

During the financial year, The Benevolent Society paid premiums of $114,002 to insure its Directors, Company Secretary, and all executive officers of The Benevolent Society against a liability incurred by them, to the extent permitted by the *Corporations Act 2001*.

The Benevolent Society is insured for any loss for which a Director or officer becomes legally obligated to pay resulting from a wrongful act, and any amount for which The Benevolent Society indemnifies any Director, Company Secretary or executive officer in respect of any claims made against the Director or officer arising from a wrongful act.

The Benevolent Society has entered into deeds of access, indemnity and insurance for the benefit of Directors, Company Secretary and executive officers.

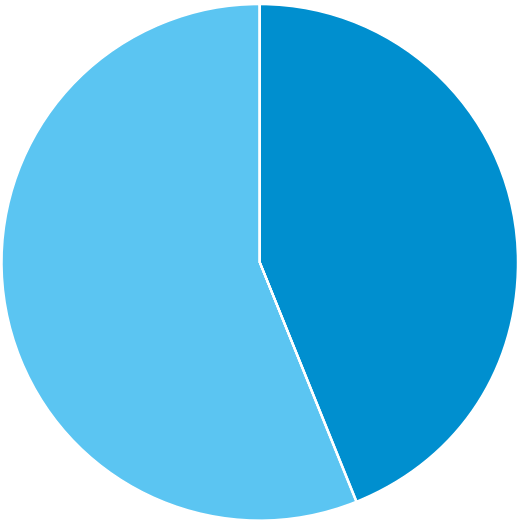
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of The Benevolent Society.

Table 1: Directors meetings

	Board of Directors		Audit, Finance and Risk Committee		People and Culture Committee	
Director	**Held during tenure**	**Attended during tenure**	**Held during tenure**	**Attended during tenure**	**Held during tenure**	**Attended during tenure**
Tim Beresford	9	9	4	4	4	4
Andrew Yates	9	9	4	4	–	–
Kathleen Conlon	6	6	3	3	3	3
Rod Young	9	9	–	–	–	–
Charles Prouse	9	8	–	–	–	–
Christine Feldmanis	9	9	–	–	4	4
Nancy Milne	9	7	4	4	–	–
Robyn Mildon	9	9	–	–	–	–
Elaine Leong (Group Company Secretary)	9	9	4	4	4	4

Figure 4: Composition of the Board

44% Female
56% Male



Indemnity of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of The Benevolent Society.

Proceedings on behalf of The Benevolent Society

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings against The Benevolent Society, nor to intervene in any proceedings to which The Benevolent Society is a party, for the purpose of taking responsibility on behalf of The Benevolent Society for all or part of those proceedings. No proceedings have been brought, or intervened in, on behalf of The Benevolent Society, with leave of the Court under section 237 of the *Corporations Act 2001*.

Other assurance services

The Benevolent Society may decide to engage the auditor (PricewaterhouseCoopers) on assignments additional to their statutory audit duties, where the auditor's expertise and previous experience with The Benevolent Society is relevant.

In accordance with advice received from the Audit, Finance and Risk Committee, the Board of Directors is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditor imposed by the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit, Finance and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditors' independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

A copy of the auditor's independence declaration is set out on page 32 as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*.

Rounding of amounts

In relation to the 'rounding off' of amounts in the Directors' Report, The Benevolent Society is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, and in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

T Beresford

Tim Beresford

Chair, interim chair of the People and Culture Committee
Sydney

Auditor's independence declaration

For the year ended 30 June 2022

Auditor's Independence Declaration

As lead auditor for the audit of The Benevolent Society for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Benevolent Society and the entities it controlled during the period.

Mark Valerio
Partner
PricewaterhouseCoopers

Sydney
26 September 2022

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Financial statements

Financial statements for the year ended 30 June 2022

Consolidated statement of income and comprehensive income

	Notes	2022 $'000	2021 $'000
Revenue			
Revenue from continuing operations	2	147,861	151,961
Other income	2	3,455	11,780
Total revenue		**151,316**	**163,741**
Expenses			
Salaries and wages		(99,324)	(92,285)
Administration expenses		(15,570)	(14,077)
Client and brokerage expenditure		(11,005)	(10,218)
Community partners		(10,997)	(7,603)
Information technology		(4,351)	(4,144)
Marketing, events and communications		(2,604)	(2,267)
Travel and transport		(1,815)	(1,572)
Property and equipment		(3,589)	(3,574)
Depreciation and amortisation expense	3	(10,325)	(12,807)
Total expenses from continuing operations		**(159,580)**	**(148,547)**
(Deficit)/surplus before income tax		(8,264)	15,194
Income tax expense	33(e)	–	–
(Deficit)/surplus from continuing operations		**(8,264)**	**15,194**
Other comprehensive income			
Items that will not be reclassified to Consolidated Statement of Income Actuarial gains on employee benefit obligations	19(b)	1,465	738
Total comprehensive (loss)/income for the year		**(6,799)**	**15,932**

The above consolidated statement of income and comprehensive income should be read in conjunction with the accompanying Notes.

Financial statements for the year ended 30 June 2022

Consolidated balance sheet

	Notes	2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	4	31,315	18,086
Trade and other receivables	5	6,284	8,005
Financial assets at fair value through profit or loss	6	–	5,000
Total current assets		**37,599**	**31,091**
Non-current assets			
Receivables	7	3,366	3,366
Financial assets at fair value through profit or loss	8	66,240	78,748
Property, plant and equipment	9	46,977	51,671
Right-of-use assets	10(a)	20,350	22,994
Intangible assets	11	829	820
Total non-current assets		137,762	157,599
Total assets		**175,361**	**188,690**
Liabilities			
Current liabilities			
Trade and other payables	12	30,472	31,999
Employee benefit obligations	13	11,933	11,246
Borrowings	14	151	540
Refundable loans	15	217	217
Lease liabilities	10(a)	3,977	4,438
Total current liabilities		**46,750**	**48,440**
Non-current liabilities			
Borrowings	16	50	120
Provisions	17	1,034	1,034
Employee benefit obligations	18	2,190	3,544
Lease liabilities	10(a)	23,041	26,457
Total non-current liabilities		26,315	31,155
Total liabilities		73,065	79,595
Net assets		**102,296**	**109,095**
The Benevolent Society Funds			
Retained earnings	19(a)	95,686	103,950
Defined benefit reserve	19(b)	6,610	5,145
Total funds		**102,296**	**109,095**

The above consolidated balance sheet should be read in conjunction with the accompanying Notes.

Consolidated statement of changes in funds

	Notes	Defined Benefit Reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2020		**4,407**	**88,756**	**93,163**
Surplus for the year	19(a)	–	15,194	15,194
Other comprehensive income	19(b)	738	–	738
Balance at 30 June 2021		**5,145**	**103,950**	**109,095**
Deficit for the period	19(a)	–	(8,264)	(8,264)
Other comprehensive income	19(b)	1,465	–	1,465
Balance at 30 June 2022		**6,610**	**95,686**	**102,296**

The above consolidated statement of changes in funds should be read in conjunction with the accompanying Notes.

Consolidated statement of cash flows

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from government and clients (inclusive of goods and services tax)		166,130	177,533
Payments to suppliers and employees (inclusive of goods and services tax)		(154,561)	(139,287)
Interest paid		(1,804)	(2,323)
Net cash inflow from operating activities		**9,765**	**35,923**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,128)	(1,622)
Payments for intangible assets		(607)	(370)
Payments for purchase of financial assets at fair value through profit and loss		(28,198)	(41,542)
Distributions on financial assets at fair value through profit and loss		3,375	4,524
Proceeds from sale of financial assets at fair value through profit and loss		33,512	5,950
Proceeds from sale of property, plant and equipment		664	100
Net cash inflow (outflow) from investing activities		**7,618**	**(32,960)**
Cash flows from financing activities			
Repayment of borrowings		(459)	(790)
Principal elements of lease payments		(3,695)	(4,484)
Net cash (outflow) from financing activities		**(4,154)**	**(5,274)**
Net increase/(decrease) in cash and cash equivalents		13,229	(2,311)
Cash and cash equivalents at the beginning of the financial year		18,086	20,397
Cash and cash equivalents at end of year	4	**31,315**	**18,086**

The above consolidated statement of cash flows should be read in conjunction with the accompanying Notes.

Notes to the financial statements

Contents

1. Significant changes in the current reporting period

For a detailed discussion about The Benevolent Society's performance and financial position please refer to our review of operations and results in our Directors' Report on page 26.

2. Revenue

(a) From contracts with customers

Revenue from services subject to specific performance obligations.

	2022 $'000	2021 $'000
Government funding	123,968	108,710
Client fees and charges	24,114	27,398
Corporate funding	101	75
Trusts and foundations (refer to Note 28(a))	2,071	3,234
Revenue from contracts with customers	**150,254**	**139,417**

(b) From other operations

Revenue streams which are either not enforceable or do not have sufficiently specific performance obligations

	2022 $'000	2021 $'000
Bequests and legacies	93	148
Fundraising appeals and events (refer to Note 28(a))	249	224
Revenue from other operations	**342**	**372**

(c) From investments

	2022 $'000	2021 $'000
Interest	548	581
Investment distributions	3,886	4,006
Realised (loss)/gain on sale of investments	(637)	50
Unrealised (loss)/gain on investments	(6,532)	7,535
Revenue from investments	**(2,735)**	**12,172**
Total revenue from continuing operations	**147,861**	**151,961**

2. Revenue (continued)

(d) Other income

	2022 $'000	2021 $'000
Government subsidies (JobKeeper)	–	8,500
Rent	2,535	2,561
Net profit/(loss) on sale of property, plant and equipment	142	(357)
Gain on lease remeasurement	637	974
Other	141	102
Total other income	**3,455**	**11,780**

Contract balances

The following table provides information about contract liabilities from contracts from customers.

	2022 $'000	2021 $'000
Government grants	16,087	16,333
Trust and foundations	3,366	4,802
Total contract liability	**19,453**	**21,135**

See Note 33(d) for revenue recognition and application of AASB 15 and AASB 1058.

3. Expenses

Expenses from operations include the following specific expenses:

	2022 $'000	2021 $'000
Depreciation and amortisation		
Buildings	912	1,431
Right-of-use assets under finance leases	4,427	4,787
Software	568	1,142
Plant and equipment	4,418	5,447
Total depreciation and amortisation	**10,325**	**12,807**
Rental expenses relating to operating leases		
Lease payments	185	190
Net transfers to provisions		
Employee entitlements	1,494	850
Receivables written off during the year as uncollectible	312	193
Expense related to defined contribution plans	**159**	**287**

4. Current assets: cash and cash equivalents

	2022 $'000	2021 $'000
Cash at bank and on hand	26,934	16,446
Short-term deposits – Endowment	4,381	1,640
Total cash and cash equivalents	**31,315**	**18,086**

Cash and cash equivalents contains $4,381,000 (2021: $1,640,000) held as part of the Endowment Fund (Note 29).

(a) Cash at bank and on hand

This consists of one at call interest bearing account of $13,451,952 at interest rate of 0.20% (2021: $15,017,354 at interest rate of 0.01%).

(b) Short term deposits

Deposits are with the Commonwealth Bank of Australia. Deposit rates are between 0.12% and 2.22% (2021: 0.05% and 0.65%). These deposits have an original maturity of 31 to 90 days.

(c) Interest rate risk exposure

The Benevolent Society's exposure to interest rate risk is discussed in Note 31.

(d) Reconciliation of cash at the end of the year

The above figures are reconciled to the amount of cash shown in the consolidated statement of cash flows at the end of the financial year as follows:

	2022 $'000	2021 $'000
Balances as above	31,315	18,086
Balances as per consolidated statement of cash flows	**31,315**	**18,086**

5. Current assets: trade and other receivables

	2022 $'000	2021 $'000
Trade receivables*	2,893	4,166
Term deposits – Endowment	–	2,500
Provision for impairment	(435)	(949)
Investment income receivable**	1,904	845
Trade receivables	**4,362**	**6,562**
Prepayments	1,922	1,443
Trade and other receivables	**6,284**	**8,005**

* $293,000 (2021: $178,000) of trade receivables

** $1,898,000 (2021: $844,000) of investment income receivable relates to the Endowment Fund.

Movements in the provision for impairment are as follows:

	2022 $'000	2021 $'000
At 1 July	949	1,680
Provision for impairment recognised during the year	(202)	(538)
Receivables written off during the year as uncollectible	(312)	(193)
As at 30 June	435	949

The creation and release of the provision for impaired receivables has been included in 'Administration expenses' in the consolidated statement of income and comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

6. Current assets: financial assets at fair value through profit or loss

	2022 $'000	2021 $'000
Managed funds – Working capital	–	5,000
Total financial assets at fair value through profit and loss	**–**	**5,000**

The Benevolent Society held short-term investments in 2021 in an enhanced cash fund to maximise interest earned on working capital.

7. Non-current assets: receivables

	2022 $'000	2021 $'000
Receivables	3,366	3,366
Total non-current receivables	**3,366**	**3,366**

The receivables outstanding at the end of the current year are deeply subordinated notes in Goodstart Early Learning of $2,500,000 and capitalised interest earned to date on these notes of $866,000. The deeply subordinated notes in Goodstart Early Learning has a maturity date of October 2030.

(a) Impaired receivables and receivables past due

None of the non-current receivables are impaired or past due but not impaired.

(b) Risk exposure

Information about The Benevolent Society's exposure to credit risk and interest rate risk is provided in Note 31.

8. Non-current assets: financial assets at fair value through profit or loss

Classification of financial assets at fair value through profit or loss.

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI.

	2022 $'000	2021 $'000
Managed funds – Endowment	66,220	78,728
Unlisted shares	20	20
Total financial assets at fair value through profit or loss	**66,240**	**78,748**

See Note 33(j) for the relevant accounting policies.

(a) Managed funds

The managed funds hold assets in line with The Benevolent Society's approved Strategic Asset Allocation. A summary of the Endowment assets and income are shown in Note 29.

(b) Unlisted shares

Unlisted shares are held in Community 21 Limited (4,000 shares at $5.00 each).

(c) Non-current assets pledged as security

The Benevolent Society does not hold any non-current assets pledged as security.

(d) Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the fair value of the managed funds classified as financial assets at fair value through profit or loss.

All financial assets at fair value through profit or loss are denominated in Australian currency. For an analysis of the sensitivity of financial assets at fair value through profit or loss to price and interest rate risk refer to Note 31.

9. Non-current assets: property, plant and equipment

	Work in progress Assets in the course of construction $'000	Buildings $'000	Plant and equipment $'000	Total $'000
Cost				
Balance as at 1 July 2021	25	36,934	34,201	71,160
Additions	936	–	192	1,128
Reclassification	(961)	–	961	–
Disposals	–	–	(3,298)	(3,298)
Balance as at 30 June 2022	**–**	**36,934**	**32,056**	**68,990**
Accumulated depreciation				
Balance as at 1 July 2021	–	(3,937)	(15,552)	(19,489)
Disposals	–	–	2,806	2,806
Depreciation expense	–	(912)	(4,418)	(5,330)
Balance as at 30 June 2022	**–**	**(4,849)**	**(17,164)**	**(22,013)**
Net book value 2022	**–**	**32,085**	**14,892**	**46,977**
Net book value 2021	**25**	**32,997**	**18,649**	**51,671**

(a) Valuations of land and buildings

Land and buildings were deemed at cost as at transition to Australian equivalents to International Financial Reporting Standards ('AIFRS') date (1 July 2004). Valuations performed in June 2019 by Savills Valuations showed recoverable values as greater than carrying values thus an impairment loss did not occur (refer Note 33(h)).

Newly acquired buildings were valued at $36,000,000 in June 2019 with a carrying value of $32,066,000.

(b) Restricted assets

The Benevolent Society does not have any material restrictions on title, property, plant and equipment. Minor restrictions relating to approved plant and equipment purchases through government funded contracts may include asset maintenance, security, risk responsibility, any insurance and registration requirements, disposal approval requirements and using the asset for the purpose for which it was funded.

10. Leases

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Right-of-use assets		
Right-of-use property lease	29,216	30,301
Right-of-use motor vehicle lease	3,115	2,124
Total right-of-use assets	32,331	32,425
Accumulated depreciation of right-of-use assets	**(11,981)**	**(9,431)**
Net book value of right-of-use assets	**20,350**	**22,994**
Lease liabilities		
Lease liability property	3,182	4,067
Lease liability motor vehicle	795	371
Total current lease liabilities	**3,977**	**4,438**
Lease liability property	22,489	26,158
Lease liability motor vehicle	552	299
Total non-current lease liabilities	**23,041**	**26,457**
Total lease liabilities	**27,018**	**30,895**

Future lease payments in relation to lease liabilities at period end are as follows:

	2022 $'000	2021 $'000
Not later than a year	5,718	6,496
Later than a year and not later than 5 years	18,883	18,951
Later than 5 years	10,255	14,560
Total future lease payments	**34,856**	**40,007**

Additions to right-of-use assets during the financial year were $1,895,585 (2021: $1,552,988).

10. Leases (continued)

(b) Amounts recognised in the statement of income

The statement of income shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Depreciation charge of right-of-use assets		
Property leases	3,478	3,977
Motor vehicle leases	949	810
Total depreciation charge of right-of-use assets	**4,427**	**4,787**
Property Leases Interest expense (included in Administration expense)	1,727	2,265
Motor vehicle interest expense (included in Travel and transport expense)	77	43
Total interest expense	**1,804**	**2,308**
Expense relating to short-term leases (included in property and equipment expenses)	**185**	**190**
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in Administration expenses)	**255**	**252**
Expense relating to variable lease payments not included in leases liabilities (included in Property and equipment expenses)	**731**	**566**

The total cash outflow for leases in 2022 was $5,499,206 ($3,695,572 representing principal elements included in cash flow from financing activities and $1,803,634 lease interest expenses included in cash outflow from operating activities).

(c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

See Note 33(f) for more information on relevant accounting policies.

11. Non-current assets: intangible assets

	Work in progress IT Development and Software $'000	IT Software $'000	Total $'000
Cost			
Balance as at 1 July 2021	–	4,272	4,272
Additions	607	–	607
Reclassification	(607)	607	–
Disposals	–	(40)	(40)
Balance as at 30 June 2022	–	4,839	4,839
Accumulated depreciation			
Balance as at 1 July 2021	–	(3,452)	(3,452)
Disposals	–	10	10
Depreciation expense	–	(568)	(568)
Balance as at 30 June 2022	–	(4,010)	(4,010)
Net book value 2022	**–**	**829**	**829**
Net book value 2021	**–**	**820**	**820**

12. Current liabilities: trade and other payables

	2022 $'000	2021 $'000
Trade payables	3,529	4,036
Other payables	4,790	3,951
Accruals	2,700	2,877
Government grants	16,087	16,333
Trust and foundations	3,366	4,802
Total current liabilities: trade and other payables	**30,472**	**31,999**

Risk exposure

Information about The Benevolent Society's exposure to foreign exchange risk is provided in Note 31(a).

13. Current liabilities: employee benefit obligations

	2022 $'000	2021 $'000
Employee benefits – annual leave	7,671	6,851
Employee benefits – long service leave	4,262	4,395
Total current liabilities: employee benefit obligations	**11,933**	**11,246**

14. Current liabilities: borrowings

	2022 $'000	2021 $'000
Hire purchase liabilities	154	555
Unexpired hire purchase liability	(3)	(15)
Total current liabilities: borrowings	**151**	**540**

15. Current liabilities: refundable loans

	2022 $'000	2021 $'000
Resident entry contributions	217	217
Total current liabilities: refundable loans	**217**	**217**

16. Non-current liabilities: borrowings

	2022 $'000	2021 $'000
Hire purchase liabilities	51	121
Unexpired hire purchase liability	(1)	(1)
Total non-current liabilities: borrowings	**50**	**120**

17. Non-current liabilities: provisions

	2022 $'000	2021 $'000
Property make good provisions	1,034	1,034
Total non-current liabilities: provisions	**1,034**	**1,034**

Make good provision

The Benevolent Society is required to restore several leased premises currently utilised as operational hubs to their original condition at the end of the respective lease terms. A provision has been recognised for the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

18. Non-current liabilities: employee benefit obligations

	2022 $'000	2021 $'000
Employee benefits – long service leave	610	613
Defined superannuation benefit	1,580	2,931
Total non-current liabilities: employee benefit obligations	**2,190**	**3,544**

(a) Defined superannuation benefit

On acquisition of the New South Wales State Government Family and Community Services Disability operations on 28 July 2017, a commitment was made by the organisation to a number of employees to continue their arrangements in respect of their defined superannuation benefits plan.

Accordingly TBS will be the new employer for the purpose of the following public sector defined benefit schemes:

- State Authorities Superannuation Scheme (SASS);
- State Superannuation Scheme (SSS); and
- State Authorities Non-contributory Superannuation Scheme (SANCS).

The above schemes (along with the Police Superannuation Scheme (PSS)) are collectively known as the NSW Pooled Fund (Pooled Fund).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

18. Non-current liabilities: employee benefit obligations (continued)

(a) Defined superannuation benefit (continued)

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

(a) Investment risk

The risk that investment returns will be lower than assumed and the group will need to increase contributions to offset this shortfall.

(b) Pension indexation risk

The risk that pensions will increase at a rate greater than assumed, increasing future pensions.

(c) Salary growth risk

The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

(d) Legislative risk

The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

(i) Consolidated balance sheet amounts

The amounts recognised in the consolidated balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation $'000	Fair Value of Plan assets $'000	Total $'000
1 July 2021	(10,951)	8,020	(2,931)
Total amount recognised in profit and loss	(408)	247	(161)
Total amount recognised in other comprehensive income	1,766	(301)	1,465
Contributions by fund participants	(38)	38	–
Contribution by the employer	–	47	47
Benefits paid by the plan	1,432	(1,432)	–
Taxes, premiums and expenses paid	(36)	36	–
30 June 2022	**(8,235)**	**6,655**	**(1,580)**

Net liability disclosed above relates to funded obligations.

18. Non-current liabilities: employee benefit obligations (continued)

(a) Defined superannuation benefit (continued)

Description of risks (continued)

(d) Legislative risk (continued)

(i) Balance Sheet amounts (continued)

	2022 $'000	2021 $'000
Present value of funded obligations	(8,235)	(10,951)
Fair value of plan assets	6,655	8,020
Deficit of funded plans	**(1,580)**	**(2,931)**

TBS has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. TBS intends to continue to contribute to the defined benefit section of the plan at the following rates in line with the actuary's latest recommendations.

Superannuation schemes	Basis of contribution	Rate
SASS	Multiple of Member Contributions	1.40% p.a.
SANCS	% of Member Salary	3.10% p.a.
SSS	Multiple of Member Contributions	0.80% p.a.

(ii) Categories of plan assets

The percentage invested in each asset class at the reporting date are as follows:

Category of assets	As at 30 June 2022
Short-term securities	13.70%
Australian fixed interest	0.70%
International fixed interest	3.90%
Australian equities	17.70%
International equities	33.00%
Property	6.40%
Alternatives	24.60%
Total	**100.00%**

18. Non-current liabilities: employee benefit obligations (continued)

(a) Defined superannuation benefit (continued)

Description of risks (continued)

(d) Legislative risk (continued)

(iii) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

Assumptions	As at 30 June 2022
Discount rate	5.36% p.a.
Salary increase rate (excluding promotional increases)	3.15% p.a. for 2022/23 3.62% p.a. for 2023/24 2.87% p.a. for 2024/25 2.74% p.a. for 2025/26 3.20% p.a. thereafter
Rate of CPI increase	4.00% p.a. for 2021/22 5.50% p.a. for 2022/23 3.00% p.a. for 2023/24 and 2024/25 2.75% p.a. for 2025/26 and 2026/27 2.50% p.a. thereafter
Pensioner mortality	The pensioner mortality assumptions are those used for the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report on the trustee's website. The report shows the pension mortality rates for each age.

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review. The review will be performed by the actuary in accordance with AASB 1056 *Superannuation Entities*.

The economic assumptions adopted for 30 June 2022 AASB 1056 *Superannuation Entities*.

Weighted-average assumptions	As at 30 June 2022
Expected rate of return on Fund assets backing current pension liabilities	7.00% p.a.
Expected rate of return on Fund assets backing other liabilities	6.20% p.a.
Expected salary increase rate (excluding promotional salary increases)	3.15% p.a. for 2022/23 3.62% p.a. for 2023/24 2.87% p.a. for 2024/25 2.74% p.a. for 2025/26 3.20% p.a. thereafter
Expected rate of CPI increase	4.80% p.a. for 2021/22 and 2.5% 2.50% p.a. thereafter

19. Reserves and retained surplus

(a) Retained surplus

	2022 $'000	2021 $'000
Balance 1 July	103,950	88,756
Net (deficit)/surplus for the period	(8,264)	15,194
Balance 30 June	**95,686**	**103,950**

(b) Defined benefit reserve

	2022 $'000	2021 $'000
Balance 1 July	5,145	4,407
Re-measurement of employee benefit obligation	1,465	738
Balance 30 June	**6,610**	**5,145**

(c) Nature and purpose of reserves

Defined benefit reserve

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in reserve in the consolidated statement of changes in funds and in the consolidated balance sheet.

20. Key management personnel disclosures

(a) Directors and group company secretary

The following people were non-executive Directors of The Benevolent Society during the financial year:

Tim Beresford BEc (Hons), LLB MPhil (International Relations) ASIA, FAICD	Chair, interim chair of the People and Culture Committee Director from 14 February 2013
Andrew Yates BEc, CA	Chair of the Audit, Finance and Risk Committee Director from 9 November 2015
Kathleen Conlon BA (Econ), MBA	Chair of the People and Culture Committee Director from 14 February 2013 Resigned 28 February 2022
Rod Young LLB, BHSM, MAICD, ACHSM	Director from 1 November 2016
Charles Prouse	Director from 10 August 2015
Christine Feldmanis BCom, MAppFin, CPA, FAICD, SFFINSIA, TFASFA, JP	Director from 22 February 2021
Nancy Milne BA LLB, FAICD	Director from 4 March 2021
Robyn Mildon PhD	Director from 28 June 2021
Elaine Leong BA, LLB, BA Comms (Hons), Grad Dip Legal Prac, GAICD, FGIA	Group Company Secretary from 14 November 2016

(b) Directors' compensation

Directors (excluding group company secretary) of The Benevolent Society are not remunerated.

20. Key management personnel disclosures (continued)

(c) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of The Benevolent Society, directly or indirectly during the financial year:

Lin Hatfield Dodds BSc (Hons), M Coun Pysch	Chief Executive Officer (appointed 19 July 2021)
Nicholas Johnson CA (SA), AGIA ACIS, GAICD	Executive Director, Finance and Corporate Services (Acting CEO from 1 December 2021 to 21 January 2022) (resigned 21 January 2022)
Stefan Duvenhage B Com, ACMA	Acting Executive Director, Finance and Corporate Services (appointed 1 December 2021)
Leith Sterling BOccThy, AdDip Ldrshp & Mgt	Executive Director, Child Youth and Family (resigned 16 March 2022)
Sandra Clubb B HR	Executive Director, People and Organisational Development (appointed 28 April 2021)
Anna Robinson BA (Politics), MPPM	Executive Director, Disability and Growth (resigned 28 July 2021)
Andrew Collins BN, GradDipPubH	Executive Director, Ageing and Carers (resigned 3 December 2021)
Henrietta Foulds BA(Hons), BSW(Hons)	Acting Executive Director, Ageing, Families and Children's Services (appointed 14 March 2022)
Kelly Bruce B Com, MEM	Executive Director, Disability and Growth (appointed 27 July 2021)

(d) Other key management personnel compensation

	2022 $'000	**2021 $'000**
Short-term employee benefits (total compensation)	**2,268**	**2,664**

(e) Loans to key management personnel

The Benevolent Society does not hold any loans with key management personnel.

(f) Other transactions with key management personnel

The Benevolent Society does not have any other transactions with key management personnel.

21. Limitation of members' liabilities

The parent entity is registered with the Australian Charities and Not-for-Profits Commission as a company limited by guarantee, and in accordance with the constitution the liability of members in the event the parent entity is wound up would not exceed $100 per member. At 30 June 2022 the number of members of this company was 56 (2021: 56).

22. Contingencies

The Benevolent Society had $2,014,356 of contingent liabilities at 30 June 2022 (2021: $1,977,861) in relation to security for property lease agreements. The Benevolent Society had no contingent assets at 30 June 2022 (2021: nil).

The Benevolent Society historically provided short-term residential care for children at Scarba House, located at Bondi in Sydney's eastern suburbs during the period 1917 to 1986.

In 2004, The Benevolent Society provided a full and unreserved apology for all abuse, mistreatment or harm experienced by children in our care. A copy of our apology is available on The Benevolent Society's website – www.benevolent.org.au.

The Benevolent Society has joined the National Redress Scheme on 24 December 2020.

As at the date of this report, it is not possible to estimate reliably the number or value of applications payable under the National Redress Scheme. There are also too many uncertainties based on lack of volume of claims to The Benevolent Society redress scheme, hence the disclosure as a contingent liability.

23. Commitments

(a) Capital commitments

The Benevolent Society had capital commitments payable within one year as at 30 June 2022 of $1,514,000.
(2021: $154,000).

(b) Repairs and maintenance: investment property

The Benevolent Society had no contractual obligation for future repairs and maintenance in existence at the reporting date other than those recognised as liabilities.

24. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in Note 33(g):

Name of entity	Country of incorporation	Class of shares	2022 % owned	2021 % owned
Benevolent Australia – Disability Service Limited	Australia	Ordinary	100	100

25. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2022 $'000	2021 $'000
Consolidated balance sheet		
Current assets	37,468	30,725
Total assets	175,230	188,324
Current liabilities	(46,750)	(45,427)
Total liabilities	(73,065)	(73,593)
Shareholder's equity		
Retained surplus	95,555	114,730
Total equity	102,165	114,731
(Deficit)/surplus for the year	(8,152)	21,580
Total comprehensive (loss)/income for the year	(6,687)	22,318

26. Related party transactions

(a) Social Ventures Australia

The Benevolent Society is one of the four founding members of Social Ventures Australia Limited. Social Ventures Australia Limited (SVA) is a company limited by guarantee, incorporated and operating in Australia. The Benevolent Society invested a sum of $1,048,876 in SVA's Diversified Impact Fund during 2022. At consolidated balance sheet date the carrying value of this investment amounted to $785,850.

(b) Goodstart Early learning

The Benevolent Society is one of four founding members of Goodstart Early Learning Limited (Goodstart). Goodstart is a company limited by guarantee, incorporated and operating in Australia. In 2022 The Benevolent Society received interest income of $504,841 (2021: $504,841) and held receivables of $3,366,000 (2021: $3,366,000) principal and interest in relation to deeply subordinated notes.

(c) Transactions with Directors

The Benevolent Society has entered into deeds of access, indemnity and insurance for the benefit of Directors.

(d) Key management personnel compensation

Disclosures relating to key management personnel are set out in Note 20.

27. Events occurring after the reporting period

No significant events have occurred since 1 July 2022 that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or state of affairs of the group in future financial years.

28. Additional information furnished under the *NSW Charitable Fundraising Act 1991* and the Regulations

(a) Details of aggregate gross income and expenditure of fundraising appeals

	2022 $'000	2021 $'000
Gross proceeds of fundraising from trusts and foundations	2,071	3,234
Gross proceeds of fundraising appeals and events	249	224
Total proceeds of fundraising	2,320	3,458
Total direct costs of fundraising appeals and events (see (d) below)	(14)	(4)
Net surplus from fundraising	**2,306**	**3,454**

(b) Statement showing how funds received were applied to charitable purposes

	2022 $'000	2021 $'000
Net surplus from fundraising	(2,306)	(3,454)
This was applied to charitable purposes in the following manner:		
Community program expenditure	123,186	111,107
Administration expense*	36,380	37,436
Total cost of community programs	159,566	148,543
Total charitable purpose expenditure	**159,566**	**148,543**
Shortfall in funds available from fundraising**	**157,260**	**145,089**

* Administration expenses include depreciation, impairment, bequest expenditure, and a portion of indirect overheads.

** Shortfall in funds available from fundraising is funded through government contracts, Endowment income distributions, investment income, corporate funding, client fees and bequests.

(c) Shortfall of funds available from fundraising was financed from the following sources

	2022 $'000	2021 $'000
Government grants and subsidies	123,968	108,710
Client fees	24,114	27,398
Bequests and legacies	93	148
(Surplus)/deficit for the year	8,264	(15,194)
Interest, dividend and managed fund distribution revenue	(2,735)	12,172
Corporate funding	101	75
Other income	3,455	11,780
Shortfall in funds available from fundraising	**157,260**	**145,089**

28. Additional information furnished under the *NSW Charitable Fundraising Act 1991* and the Regulations (continued)

(d) Fundraising appeals and events conducted during the financial year

During 2022 the following fundraising activities were delivered: newsletter appeals every two months; digital fundraising appeals through social media and online banner advertising. Bequests, corporate giving and private donations also contribute to the overall fundraising activity.

(e) Fundraising ratios

	2022		2021	
	$'000	%	$'000	%
Total cost of fundraising : Gross income from fundraising	14 : 2,320	1	4 : 3,458	0
Net surplus from fundraising : Gross income from fundraising	2,306 : 2,320	99	3,454 : 3,458	100
Total cost of community programs : Total expenditure	123,186 : 159,580	77	111,107 : 148,547	75
Total cost of community programs : Total revenue from continuing activities	123,186 : 147,861	83	111,107 : 151,961	73

These comparisons and percentages are required to be disclosed under the *NSW Charitable Fundraising Act 1991*.

29. Endowment investments

The Endowment assets and income are included in The Benevolent Society's consolidated balance sheet and consolidated statement of income and comprehensive income as follows:

	Notes	Endowment $'000	Operations $'000	Total $'000
Current assets				
Cash and cash equivalents	4	4,381	26,934	31,315
Trade and other receivables	5	2,191	4,093	6,284
Non-current assets				
Receivables	7	–	3,366	3,366
Financial assets at fair value through profit or loss	8	66,220	20	66,240
Other financial assets at amortised costs		–	–	–
Property, plant and equipment	9	–	46,977	46,977
Right-of-use assets	10	–	20,350	20,350
Intangible assets	11	–	829	829
Total assets		**72,792**	**102,569**	**175,361**
Revenue from investments				
Interest		12	536	548
Investment distributions		3,886	–	3,886
Realised gain on sale of investments		(632)	(5)	(637)
Unrealised gain on sale of investments		(6,533)	1	(6,532)
Total revenue from investments	2(c)	**(3,267)**	**532**	**(2,735)**

30. Critical accounting estimates and judgements

The Benevolent Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Significant estimates and judgements

The areas involving significant estimates or judgements are:

- estimation of defined benefit pension obligation – Note 18.

31. Financial risk management

The Benevolent Society's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Benevolent Society's overall financial risk management program focuses on financial markets and seeks to control potential adverse effects on our long-term financial performance. The Benevolent Society uses different investments to minimise certain risk exposures. Managed funds and bonds are used for medium and long-term investment purposes where a greater risk tolerance is accepted.

The Benevolent Society holds the following financial instruments:

	Notes	2022 $'000	2021 $'000
Financial assets			
Cash and cash equivalents	4	31,315	18,086
Trade and other receivables	5	6,284	8,005
Non-current receivables	7	3,366	3,366
Financial assets at fair value through profit or loss	6, 8	66,240	83,748
Total financial assets		**107,205**	**113,205**
Financial liabilities			
Trade payables	12	3,529	4,036
Accruals	12	2,700	2,877
Other payables	12	4,790	3,951
Retirement village contributions	15	217	217
Government funding received in advance	12	16,087	16,333
Trust and foundations	12	3,366	4,802
Lease liabilities	10	27,018	30,895
Borrowings	14, 16	201	660
Total financial liabilities		**57,908**	**63,771**

(a) Market risk

(i) Foreign exchange risk

The Benevolent Society operates within Australia and therefore is not exposed to direct foreign exchange risk. The Benevolent Society is indirectly exposed to foreign exchange risk due to global equities included in funds under management.

(ii) Price risk

The Benevolent Society does not directly invest in equities and therefore is not exposed to direct price risk. The Benevolent Society is exposed to equity securities price risk as it invests indirectly in the equity market through its investment fund managers. The Benevolent Society is not exposed directly to commodity price risk but does have an indirect exposure via its investment in the equity market. Other financial assets at amortised cost (previously classified as held-to-maturity investments) are not exposed to price risk as they are carried at amortised cost and will be held to maturity.

31. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

The Benevolent Society's main interest rate risk arises from short-term investments and Goodstart Early Learning Loan notes. The risk is reduced due to the fixed rates associated with the Goodstart notes.

The Benevolent Society uses a combination of variable and fixed rate investments to manage its interest rate risk.

The Benevolent Society's overall exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table:

			Fixed interest maturing in:					
	Average interest rate %	Variable interest rate $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total 2022 $'000	Total 2021 $'000
Financial Assets								
Cash	0.94 (2021: 0.08)	13,452	11,000	–	–	2,482	26,934	16,446
Short-term deposits	0.25 (2021: 0.65)	3,373	1,008	–	–	–	4,381	1,640
Trade and other receivables	–	–	–	–	–	6,284	6,284	5,505
Other receivables term deposit	0.00 (2021: 0.35)	–	–	–	–	–	–	2,500
Non-current receivables	15.00 (2021: 15.00)	–	–	–	3,366	–	3,366	3,366
Financial assets at fair value through profit and loss	–	–	–	–	–	66,240	66,240	83,748
Total financial assets		16,825	12,008	–	3,366	75,006	107,205	113,205
Financial liabilities								
Trade payable	–	–	–	–	–	3,529	3,529	4,036
Accruals	–	–	–	–	–	2,700	2,700	2,877
Other payables	–	–	–	–	–	4,790	4,790	3,951
Government funding received in advance	–	–	–	–	–	16,087	16,087	16,333
Trust and foundations						3,366	3,366	4,802
Retirement village contributions payable	–	–	–	–	–	217	217	217
Lease liabilities	5.52	–	3,977	16,021	7,020	–	27,018	30,895
Borrowings	4.60	–	151	50	–	–	201	660
Total financial liabilities		–	4,128	16,071	7,020	30,689	57,908	63,771
Net financial assets		**16,825**	**7,880**	**(16,071)**	**(3,654)**	**44,317**	**49,297**	**49,434**

31. Financial risk management (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as outstanding receivables and committed transactions. The Benevolent Society uses banks and financial institutions with a minimum credit rating of AA. There is no concentration of credit risk with respect to current and non-current receivables, as The Benevolent Society has a large number of clients, dispersed throughout New South Wales, Queensland and South Australia, Australia. The funding provided by government is also spread between Australian Commonwealth and State government funding.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Benevolent Society manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Benevolent Society's funding is provided in advance by government and surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents The Benevolent Society's financial assets and liabilities measured and recognised at fair value at 30 June 2022 and 30 June 2021:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2021				
Financial assets at fair value through profit and loss				
Investments – managed funds	83,748	–	–	83,748
2022				
Financial assets at fair value through profit and loss				
Investments – managed funds	66,240	–	–	66,240

The Benevolent Society uses fair value estimation for medium to long-term investments in managed funds. The Benevolent Society's managed funds are carried at fair value which approximates current market value. The Benevolent Society enters into a range of managed fund portfolios to manage risk in accordance with our Investment Policy approved by the Board of Directors. This policy has been complied with during the financial year.

32. Remuneration of auditors

Assurance and other services provided by PricewaterhouseCoopers.

	2022 $	2021 $
1. Audit services		
PricewaterhouseCoopers: Audit of financial reports and other audit work under the *Australian Charities and Not-for-profits Commission Act 2012*	94,500	87,500
Total remuneration for audit services	94,500	87,500
2. Other assurance services		
PricewaterhouseCoopers: Review of government grant financial reports	32,080	32,250
Total remuneration for other assurance services	32,080	32,250
3. Other services		
PricewaterhouseCoopers: Other services	–	78,247
Total remuneration for other services	–	78,247
Total remuneration to PricewaterhouseCoopers	126,580	197,997

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

33. Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements, and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012* ('ACNC Act 2012'). The Benevolent Society is a large not-for-profit entity for the purpose of preparing this financial report.

(i) Compliance with Australian Accounting Standards – Simplified Disclosure Requirements

The Benevolent Society's financial report complies with Australian Accounting Standards – Simplified Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB) and the disclosure requirement of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-profit Tier 2 Entities*.

The Benevolent Society has continued to disclose the following non-required disclosures to assist with transparency: financial risk management (Note 31), interest rate risk exposure (Note 31), movements in the position for impairment of receivables (Note 5), non-current receivables and receivables past due (Note 7) , and non-current receivables risk exposure (Note 7(a)).

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- financial assets at fair value through profit or loss (previously classified as available-for-sale financial assets), financial assets and liabilities; and
- defined benefit pensions plans – plan assets measured at fair value.

(iii) Presentation currency

The consolidated financial statements are presented in Australian dollar ($), which is The Benevolent Society's functional and presentation currency.

(iv) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2021:

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*; and
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform* – Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 and AASB 139].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

These are the The Benevolent Society's first general purpose financial statements prepared in accordance with AASB 1060.

(b) Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of the parent entity, being The Benevolent Society and its controlled entity and together are referred to in this report as the group. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

All inter-group balances and transactions between entities in the group, including any unrealised profits or losses, have been eliminated on consolidation. Where controlled entities have entered or left the group during the year, their operating results have been included from the date control was obtained or until the date control ceased. There are no outside interests in the equity or results of the controlled entities.

33. Summary of significant accounting policies (continued)

(c) Going concern

For the year ended 30 June 2022, the consolidated entity had net current liabilities of $9,151,000 (2021: $17,349,000) and recorded deficit of $8,264,000 (2021: surplus $15,194,000).

The following matters have been considered by the Directors in determining the appropriateness of the going concern basis of preparation in the consolidated financial statements:

(i) availability of the option to draw down from the Endowment Fund balance of $72,792,000, subject to appropriate approval of the Board and whilst being liquid the Endowment Fund's intent is long-term growth; and

(ii) the parent entity continues to meet its obligations from the cash flow generated from its operations.

As a result of the above matters, the Directors are of the view that the consolidated entity will continue as a going concern and, therefore, will realise its assets and liabilities and commitments in the normal course of business and at the amounts stated in the consolidated financial statements.

(d) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations being satisfied.

The basis for revenue recognition is a five-step model as follows:

1. Identify the contract with the customer
2. Identify sufficiently specific performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue.

Government funding

The customer for these contracts is the fund provider. Government funding revenue arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied over the life of the contract.

Client fees and charges

Revenue from providing services is recognised in the accounting period in which the performance obligations are satisfied. Where there is a difference in the timing, it will result in the recognition of a receivable, contract asset or contract liability.

Corporate funding, trusts and foundations

Income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. Within agreements with corporate funding, trusts and foundations there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, revenue recognition is based on cost completion.

(ii) Revenue recognition policy for income of not-for-profit entities (AASB 1058)

If it is not an enforceable arrangement and/or the performance are not sufficiently specific, then income is recognised under AASB 1058, almost always immediately.

Fundraising and bequests

Donations and bequests collected are recognised as revenue when the group gains control of the asset.

(e) Income tax

As a public benevolent institution, The Benevolent Society is endorsed for income tax exemption under subdivision 50-B of the *Income Tax Assessment Act 1997.*

33. Summary of significant accounting policies (continued)

(f) Leases

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third party financing;
- makes adjustments specific to the lease, e.g. term, country, currency and security; and
- restoration costs.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

33. Summary of significant accounting policies (continued)

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity;

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.
The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For consolidated statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and 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.

33. Summary of significant accounting policies (continued)

(j) Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- **FVOCI**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

  When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- **FVPL**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

  Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

33. Summary of significant accounting policies (continued)

(j) Investments and other financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

(iv) Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

(v) Measurement

At initial recognition, The Benevolent Society measures an available-for-sale financial asset at its fair value, plus, in the case of a financial asset not at fair value through the consolidated statement of income and comprehensive income, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the consolidated statement of income and comprehensive income are expensed in the consolidated statement of income and comprehensive income.

Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of investments classified as available-for-sale are recognised in Other comprehensive income.

Loans and receivables and held-to-maturity investments are measured at fair value at initial recognition and subsequently carried at amortised cost using the effective interest method.

(vi) Impairment

Impairment of assets carried at fair value

At each balance date, The Benevolent Society assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of managed funds classified as available-for-sale, a significant or prolonged decline in the fair value of a fund below its cost is considered as an indicator that the funds are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated statement of income and comprehensive income – is reclassified from The Benevolent Society's funds and recognised in the consolidated statement of income and comprehensive income.

Impairment losses recognised in the consolidated statement of income and comprehensive income on investments classified as available-for-sale are not reversed through the consolidated statement of income and comprehensive income.

Impairment of assets carried at amortised cost

For held-to-maturity investments, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, The Benevolent Society may measure impairment on the basis of an instrument's fair value using an observable market price.

33. Summary of significant accounting policies (continued)

(j) Investments and other financial assets (continued)

(vii) Trade and other receivables

Trade receivables were recognised at the amounts receivable as they were due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables was reviewed on an ongoing basis. Debts which were known to be uncollectible were written off by reducing the carrying amount directly. An allowance for doubtful debts was used when there was objective evidence that The Benevolent Society would not able to collect all amounts due, according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor would enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) were considered to be indicators that the trade receivable was doubtful. The amount of the impairment allowance and cash flows relating to short-term receivables were not discounted as the effect of discounting was immaterial.

The amount of the impairment loss was recognised in the consolidated statement of income and comprehensive income within bad debts expenses. When a trade receivable for which an impairment allowance had been recognised became uncollectable in a subsequent period, it was written off against the allowance account. Subsequent recoveries of amounts previously written off were credited against bad debts in the consolidated statement of income and comprehensive income.

(k) Property, plant and equipment

Land and buildings are shown at deemed cost as at transition to AIFRS date. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Assets are generally capitalised if greater than $5,000. If government funding contracts state a different level for capitalisation, then that level is applied in relation to assets purchased under the specific government contract.

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 Benevolent Society and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of income and comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Fitout, furniture and fittings	10 years
Equipment	6–7 years
Motor vehicle	6–7 years
IT hardware	3–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of income and comprehensive income.

(l) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to IT software. Costs capitalised include external direct costs of materials and service as well as internal labour cost directly attributable in developing products or services. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where The Benevolent Society has an intention and ability to use the asset.

33. Summary of significant accounting policies (continued)

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to The Benevolent Society prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is due later than 12 months from the reporting date. They are recognised at cost.

(n) Provisions

Provisions are recognised when The Benevolent Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the cost of the best estimate of the expenditure required to settle the present obligation at the reporting date. The amount of the expenditure relating to provisions are not discounted as the effect of discounting is immaterial.

Retirement village contributions are payable on vacation of a unit by a resident, and are defined as the amounts Village residents loan to The Benevolent Society by deed of loan, less the amount allowed to be retained by The Benevolent Society, as determined by the deed of the loan.

(o) Employee benefits

(i) Wages and salaries, annual leave

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. The obligations are presented as current liabilities in the consolidated balance sheet if The Benevolent Society does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) On-costs

Employee benefit on-costs, including superannuation and workers compensation, are recognised and included in employee benefit expenses when the employee benefits to which they relate are recognised as liabilities.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Benevolent Society recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

33. Summary of significant accounting policies (continued)

(o) Employee benefits (continued)

(v) Post-employment obligations

The group operates a post-employment schemes which is a defined benefit pension plan.

Pension obligations

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Accordingly the 10 year government bond yield rate is used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(p) Rounding of amounts

The Benevolent Society is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 to the nearest thousand dollars, or in certain cases, the nearest dollar.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated balance sheet.

(r) Comparative Information

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

Directors' and Chair's declaration

For the year ended 30 June 2022

In the Directors' opinion:

(a) the consolidated financial statements and Notes set out on pages 37 to 73 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

  (i) complying with Accounting Standards – General Purpose Financial Statements – Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012*, to the extend relevant, the *Corporations Act 2001* (Cth), and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the The Benevolent Society's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that The Benevolent Society will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Andrew Yates

Chair of the Audit, Finance and Risk Committee

Tim Beresford

Chair, interim chair of the People and Culture Committee
Sydney
26 September 2022

Declaration by Chair in respect of fundraising appeals

I, Tim Beresford, Chair of The Benevolent Society declare that in my opinion:

(a) the consolidated statement of income and comprehensive income gives a true and fair view of all income and expenditure of The Benevolent Society with respect to fundraising appeals; and

(b) the consolidated balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals; and

(c) the provisions of the *NSW Charitable Fundraising Act 1991*, the Regulations under the Acts and the conditions attached to the authority have been complied with; and

(d) the internal controls exercised by The Benevolent Society are appropriate and effective in accounting for all income received and applied by The Benevolent Society from all of its fundraising appeals.

Tim Beresford

Chair, interim chair of the People and Culture Committee
Sydney
26 September 2022

Independent auditor's report

For the year ended 30 June 2022

Independent auditor's report

To the members of The Benevolent Society

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of The Benevolent Society (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2022
- the consolidated statement of changes in funds for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of income and comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual financial reporting for the year ended 30 June 2022, 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the directors for the financial report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission (ACNC) 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, management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless m anagement either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Report on the requirements of the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2015*

We have audited the accompanying financial report of The Benevolent Society (the Company) and its controlled entities (together the Group) as required by Section 24 of the *Charitable Fundraising Act 1991* (the Act). The directors of the Company are responsible for the preparation and presentation of the financial report in accordance with the Act and the *Charitable Fundraising Regulation 2015* (the Regulation). Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion, in all material respects:

(a) The accompanying financial report of the Company and associated records have been properly kept, during the financial year ended 30 June 2022, in accordance with Sections 20(1) and 22(1-2) of the Act and Sections 10(6) and 11 of the Regulation.
(b) Money received as a result of fundraising appeals conducted during the financial year ended 30 June 2022 has been properly accounted for and applied in accordance with the Act and Regulation.

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Valerio
Partner

Sydney
26 September 2022

Your life. Your way.

Our promise to our clients is to empower and equip them to live their life, their way.

We do this by working alongside clients, carers and the community to meet people's needs and realise their hopes in safe, trusted environments.

It reflects our approach to advocacy and working within our community, driving positive social change and mobilising social movements by bringing people together.

Our values

Our values guide us to stand strong, never give up, speak out on the issues that matter and make a difference every day for people of all ages and backgrounds. They are:

> Integrity
> Respect
> Collaboration
> Effectiveness
> Optimism

Who we help

> Children
> Families
> Older Australians
> People with disabilities
> Carers
> Communities
> Young People

What we do

> Provide specialist support and therapies for people with a disability
> Support Young People
> Support older Australians
> Support for Carers
> Support for Children, Parents and Families
> Advocacy

Human Rights and Modern Slavery

We believe in dignity for all people at all times and we support people and communities who are vulnerable to human rights abuses. We are embedding a human rights culture across the organisation. The Benevolent Society is a reporting entity under the *Modern Slavery Act 2018* (Cth).

We work across Australia with thousands of people every day, to help them feel valued, cared for and understood

benevolent SOCIETY