



**STEPHEN MICHAEL**  
FOUNDATION

*Reach high*

# 2019-2020 ANNUAL REPORT



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# COMMENT FROM THE CHAIR

It goes without saying that the 2019 / 2020 financial year had significant challenges for everyone through all parts of the world. The Stephen Michael Foundation certainly was not immune to this and had to adapt quickly through dealing with all the challenges surrounding Covid-19. We are extremely proud to have stood up during this time and find ways to deliver our programs in a unique but very successful way. This could not have been done without the support of our whole community and for this we are incredibly grateful.

To our amazing staff and volunteers led by our CEO, Paul Mugambwa, your dedication and resilience has been outstanding. The organisation is growing and developing its base in a controlled and well managed way to ensure we deliver programs and support that meets our objectives and the objectives of our clients and community.

To our Sponsors and Funders, your support makes this happen. We are truly appreciative of the relationships we have built with each and every one of you and we look forward to continuing this well in to the future.

We'd also like to thank our wonderful program recipients – the kids!

We can only wish that the support we provide helps to give you the opportunities in some small way that you truly deserve. You are all awesome!!

Also, a big thanks to our Board who volunteer their time to help Paul and the team wherever they can to get the outcomes we are chasing.

Last but not least, thanks to the great man whose name the foundation honours –

Stephen Michael. You are an inspiration to us all and your guiding hand and valuable insights are incredibly valued.

We look forward to what will be very exciting times for the Stephen Michael Foundation – bring on the new year!!!



**Gavin Jahn**  
Chair - Stephen Michael Foundation







## COMMENT FROM THE CEO

Across the past 12 months the Stephen Michael Foundation (SMF) has experienced extraordinary growth including an increased level of funding, an increase in permanent staff and an increase in the number of locations in which SMF programs are delivered.

This exciting level of expansion has not come without its challenges including the ability to meet demand without compromising quality and the risk of becoming too big, too soon. The SMF were also faced with several “positive” growing pains including outgrowing the current office space provided by South Fremantle Football Club. Finally, like so many organisations and communities across the world, the SMF has not been immune to the impact of Covid-19.

Despite these challenges and the growing uncertainty created by Covid-19, the SMF has continued to grow from strength-to-strength since our humble beginning in 2017. It is

crazy to think that less than three years ago I was the first and only employee at the SMF and today we now have 24 permanent staff and more than 20 casual staff on our books. In the past 12 months alone, we have engaged more than 2,000 youth across metro, regional and remote WA and this is despite the Covid-19 restrictions imposed in the first half of 2020.

None of this could have been possible without the passion, commitment, leadership and innovation of the SMF team including our staff, our board and the legend himself, Mr. Stephen Michael.



**Paul Mugambwa**  
CEO









# OUR BOARD

We pride ourselves on the experience, passion and integrity of our Board and staff. We are proud of the diversity of our team, which is reflective of the communities we work with.



**GAVIN JAHN**  
Chair



**GORDON GATTI**  
Director



**DAMIEN EVES**  
Director



**COLLEEN HAYWARD**  
Director



**ASHLEY DAWSON**  
Director



**DES HEADLAND**  
Director



**STEPHEN MICHAEL**  
Patron



**DR. RICHARD WALLEY**  
Patron (Director until  
30 June 2020)



## OUR MISSION

The Stephen Michael Foundation utilises sports-based well-being, education, leadership, training and employment programs to support children and young people to become valued members of their community regardless of their cultural background, gender or social circumstance.





## OUR TEAM

To support the high level of demand we have received and continue to receive, our team has grown significantly as well. From our humble beginnings of just 4 staff in 2018, our team has grown to 24 permanent staff and more than 20 additional casual staff.

This exciting level of expansion has not come without its challenges including the ability to meet demand without compromising quality and the risk of becoming too big, too soon. Like so many organisations and communities across the world, we have not been immune to the impact of Covid-19.

Despite these challenges and the growing uncertainty created by Covid-19, the SMF has continued to go from strength-to-strength. This has been driven by the passion, commitment, leadership and innovation of the SMF team including our staff, our board and the legend himself, Mr. Stephen Michael.

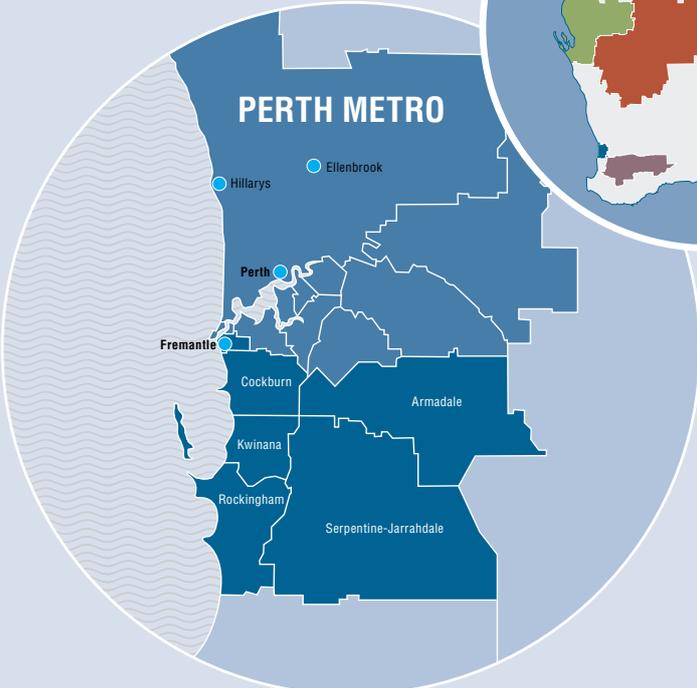
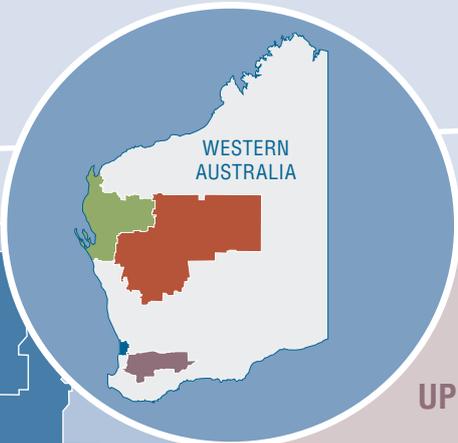
The SMF Board and staff have over 200 years combined experience in youth development, education, health and sports administration. The diversity of the SMF Board and staff is also reflective of the communities it works with. 54% of the SMF Board/ Staff identify as Aboriginal or from a CaLD background and two of the recently appointed casual staff have intellectual disabilities. Furthermore, 30% of the SMF Board and 40% of SMF staff are female.



# OUR REACH

## The SMF focuses program delivery across four location hubs in Western Australia

Across the past 12 months, the SMF have experienced an extraordinary level of growth in the number of participants engaged in our programs and the spread of communities that we reach across Western Australia. Most recently, our program delivery has expanded to include the towns of Collie, Busselton, Gascoyne Junction, Burringurrah, Shark Bay, Useless Loop and Karalundi. Over the next 12 months we will also increase our engagement in the Northern Goldfields towns of Laverton, Leonora and Leinster.







## PROGRAM DELIVERY

Across the past 12 months we have engaged more than **2,000** children and youth in our target communities. We have also reached more than **522** community members through the delivery of our coaching and umpiring programs plus additional opportunities for paid and volunteer work.

# OUR 2020 SNAPSHOT



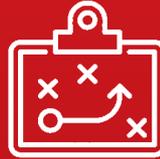
## BY THE PROGRAM

**MORE THAN 469**

participants engaged in our NightFields program delivered in Armadale, Rockingham, Kwinana, Fremantle, Narrogin and Collie.

**MORE THAN 134**

participants engaged in our coaching program.



**MORE THAN 388**

participants engaged in our umpiring program.



**130 YOUTH**

participated in our **Regional Talent Academies** based in Carnarvon, Exmouth and Narrogin.



**185 STUDENTS**

participated in our **Rising Leaders Program** delivered in 8 schools across metro and regional Western Australia.



**85 YOUTH**

participated in our **All Abilities Program** delivered in three schools.

To find out more about our programs visit our website: [www.smfoundation.org.au](http://www.smfoundation.org.au)



## BY THE REGIONS

We reached more than **678** participants from across the Gascoyne region including children and youth residing in Carnarvon, Exmouth, Burringurrah, Useless Loop, Gascoyne Junction and Shark Bay.

We reached more than **265** participants from across the Murchison region including children and youth residing in Meekatharra, Mt Magnet, Cue, Karalundi, Yalgoo and Wiluna.



We reached more than **618** participants from across the Upper Great Southern and South West regions including children and youth residing in Narrogin, Katanning, Collie and Busselton.

We reached more than **743** participants across Perth including children and youth residing in the local councils of Fremantle, Cockburn, Rockingham, Kwinana and Armadale.

To find out more about the regions we work in visit our website: <https://smfoundation.org.au/regions/>

# OUR PARTNERS

The SMF recognises that no individual agency has all the program elements, resources or capacity to ensure that the success factors required to engage at-risk youth and discourage anti-social behaviour are implemented adequately.

Collaboration lies at the foundation of all SMF programs and approach to community engagement. This is driven by three key elements:

## Common Agenda

All partners have a shared vision and joint approach to achieving it.

## Continuous Communication

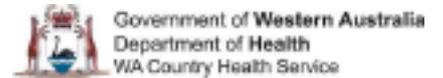
Consistent and open communication amongst partners.

## Shared Measurement

Collecting data and measuring results consistently across all partners.

Within each of our targeted communities, the SMF has already established working relationships with local schools, shires, government agencies and service providers. The SMF are also an active member of a number of key local community working groups.







# MEET THE TEAM

## WESLEY WARD

Having grown up in Meekatharra, Wes moved to Geraldton at the age of 6 years old where he finished Year 12 at Geraldton Senior High School. During his time at Geraldton Senior High School, Wes completed a Certificate II in Sport & Recreation under the WA Football Commission.

Wes has always been passionate about helping children and youth from his hometown of Meekatharra and in 2018 Wes moved back to Meekatharra and took on the role as Youth Officer working for the local Shire.

In 2018 Wes began as a casual staff member for the Stephen Michael Foundation as we started to implement more programs and events in Meekatharra and across the Murchison region. It did not take long for the SMF to see firsthand the passion that Wes had

for his community, in particular the youth. This passion was matched with a strong work ethic and a great ability to engage and support local youth. In 2019 Wes was appointed as a part-time Program Officer whilst also working at Meekatharra District High School as an Education Assistant and within one year Wes was elevated into a full-time position and the main point of contact for the SMF in the Murchison region.

At just twenty-one years old, Wes is not only a fantastic employee but an incredible role model for this community. Wes will play a key role in driving the SMF's programs and events across the Murchison and achieving its mission to support youth to become valued members of their community.





## SUPPORTING THE CLUB



One of the key roles of the SMF is to provide an additional layer of support to the South Fremantle Football Club through the development and delivery of programs that support current, future and former players off the field. From a talent perspective, the SMF has developed a male and female Regional Academy in the Gascoyne (training hubs in Carnarvon and Exmouth) and a Female Academy in the Upper Great Southern (training hubs in Narrogin and Katanning). The SMF also provided coaches and support staff for the Upper Great Southern Rams Academy for boys aged 13-17.

During the 2020 Rogers Cup season, the SMF linked 8 players from the Gascoyne Female Academy and the Upper Great Southern Female Academy to play for South Fremantle who went on to win their first ever premiership.

One of the success stories of the Upper Great Southern Girls Academy has been the identification and mentoring of two future stars in Rosie Anderson and Aaliyah Ugle. Both based in the regional WA town of Narrogin, Rosie and Aaliyah have grown up loving AFL but as there is no local female competition both were unable to play on a regular basis once they reached the age of 12. The development of the Regional Talent Academy based in Narrogin provided these girls and more than 50 others with an opportunity to train and play AFL on a regular basis and be identified for selection into the South Fremantle Women's team. Rosie and Aaliyah played a pivotal role in the club winning its first ever premiership. Aaliyah was named runner-up in the club's Best and Fairest Award and Rosie was named the best player for the whole competition.



# FINANCIAL REPORT

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# DIRECTORS' REPORT

## General Information

### Directors

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

#### Names

Ashley Dawson	Gavin Jahn
Brian Ciccotosto (Resigned 7 January 2020)	Gordon Gatti (Appointed 26 February 2020)
Colleen Hayward	Haydn Raitt (Resigned 17 December 2019)
Damien Eves	John Linton (Appointed 30 October 2019, Resigned 30 April 2020)
Des Headland (Appointed 18 December 2019)	Richard Walley

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

### Principal Activities and Significant Changes in Nature of Activities

The principal activities of Stephen Michael Foundation Ltd during the financial year were: To relieve the distress and poverty suffered by youth (including indigenous youth) by:

- (a) encouraging their participation and attendance at school;
- (b) improving their self esteem and confidence; and
- (c) improving their educational and social outcomes.

There were no significant changes in the nature of Stephen Michael Foundation Ltd's principal activities during the financial year.

### Members' Guarantee

Stephen Michael Foundation Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members that are corporations and \$ 10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$ 30 (2019: \$ 30)

### Meetings of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Ashley Dawson	11	11
Brian Ciccotosto	5	4
Colleen Hayward	11	6
Damien Eves	11	11
Des Headland	7	7
Gavin Jahn	11	9
Gordon Gatti	5	4
Haydn Raitt	5	5
John Linton	6	2
Richard Walley	11	6

### Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2020 has been received and can be found on page 21 of the financial report.

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



Director



Director

Dated this 14th day of December 2020

# AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Stephen Michael Foundation Limited

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

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



DANIEL PAPAPHOTIS  
Francis A Jones Pty Ltd  
Registered Company Auditor # - 401503  
154 High Street  
Fremantle WA 6160

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>INCOME</b>		
ATO Income	164,000	-
Auction and Raffle Income	24,147	-
Donation Income	117,953	54,534
Fees for Services	54,599	12,991
Functions and Events	44,760	66,854
Grant Funding - Government	568,458	54,747
Grant Funding - Other Sources	9,091	4,000
Interest Income	3	5
Merchandise Sales	8,639	-
Other Revenue	2,490	490
Sponsorship	120,151	147,545
<b>TOTAL INCOME</b>	<b>1,114,291</b>	<b>341,166</b>
<b>EXPENSES</b>		
Accommodation and Meals	(34,309)	(24,841)
Accounting and Audit Fees	(15,081)	(5,298)
Advertising	(270)	(2,428)
Airfares	(23,375)	(30,757)
Annual Leave Expense	(22,459)	(2,091)
Auction and Raffle Items	(17,080)	-
Bad Debts	(10,500)	-
Bank Fees	(162)	(19)
Board Expenses	-	(54)
Car and Bus Hire	(16,597)	(9,921)
Cleaning	(980)	-
Consultants	(12,741)	(17,274)
Contract Staff	(25,753)	(21,665)
Couriers	(58)	(17)
Depreciation Expense	(1,972)	-
Entertainment and Hospitality	(1,795)	(9,868)
Equipment Purchases	(688)	(3,118)
Food & Beverage	(12,790)	(28,040)
Health and Wellness	(641)	-
Honoraria	(23,359)	(5,000)
Insurance	(5,334)	-
Internet Expenses	(100)	-
Interest Expense	(2,540)	-
IT Equipment	(452)	(292)
IT Registrations	(2,649)	(425)
IT Support	(651)	(2,379)
Leases - Office	(43,732)	-
Media and Promotions	(1,998)	-
Medical Expenses	(466)	(443)

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Meetings	(1,931)	(1,823)
Merchandise and Resource Costs	(955)	-
Motor Vehicles - Leases	(8,400)	(5,600)
Motor Vehicles - Oncosts	(14,773)	(3,337)
Office Equipment Expenses	(3,617)	(279)
Parking	(886)	(1,516)
Photography	-	(500)
Postage	(118)	(22)
Printing	(309)	(2,568)
Program Delivery Specialists	(3,447)	-
Recruitment	-	(682)
Registrations	(960)	(1,218)
Reward and Recognition	(2,149)	(6,132)
Salaries - Casual Staff	(65,485)	(120)
Salaries - Permanent Staff	(616,802)	(187,042)
Sports Equipment	(13,165)	(10,388)
Staff Training	(5,063)	(1,845)
Subscriptions and Memberships	(4,829)	(180)
Sundry Expenses	-	(473)
Superannuation - Casual Staff	(4,485)	(11)
Superannuation - Permanent Staff	(55,994)	(17,360)
Taxis and Public Transport	(2,939)	(2,405)
Telephone	(2,240)	(2,432)
Tickets	(736)	(16,745)
Umpire Payments	(14,703)	(459)
Uniforms	(19,612)	(6,684)
Venue Hire	(15,720)	(30,616)
Website Maintenance	(400)	(2,740)
<b>TOTAL EXPENSES</b>	<b>(1,138,249)</b>	<b>(467,107)</b>
<b>Profit Before Income Taxes</b>	<b>(23,958)</b>	<b>(125,941)</b>
Income Tax Expense	-	-
<b>Profit from Continuing Operations</b>	<b>(23,958)</b>	<b>(125,941)</b>
<b>Profit for the Year</b>	<b>(23,958)</b>	<b>(125,941)</b>

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>INCOME</b>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	21,346	65,536
Trade and Other Receivables		39,540	25,370
<b>TOTAL CURRENT ASSETS</b>		<b>60,886</b>	<b>90,906</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	73,685	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>73,685</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>134,571</b>	<b>90,906</b>
<b>LIABILITIES</b>			
Accrued Grant Funding		-	111,708
Annual Leave Provision		31,358	8,899
GST Payable		4,034	7,441
Other Liabilities		28,207	-
PAYG Withholding Payable		22,963	7,364
Superannuation Payable		20,119	11,521
Trade Payables		128,353	20,477
<b>TOTAL LIABILITIES</b>		<b>235,034</b>	<b>167,410</b>
<b>NET ASSETS</b>		<b>(100,463)</b>	<b>(76,504)</b>
<b>EQUITY</b>			
Issued Capital		30	30
Retained Earnings		(100,493)	(76,535)
<b>TOTAL EQUITY</b>		<b>(100,463)</b>	<b>(76,505)</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$
<b>Balance at 1 July 2019</b>	(76,505)
Profit/(Loss) for the Year	(23,958)
<b>Balance at 30 June 2020</b>	(100,463)

	2019 \$
<b>Balance at 1 November 2018</b>	51,406
Profit/(Loss) for the Year	(125,941)
Prior Year Adjustment	(1,970)
<b>Balance at 30 June 2019</b>	(76,505)

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers		1,100,121	328,700
Payments to Suppliers and Employees		(1,068,654)	(346,125)
Net Cash Provided by/(Used in) Operating Activities	6	31,467	(17,425)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Property, Plant and Equipment		(75,657)	-
Net Cash Provided by/(Used in) Investing Activities		(75,657)	-
Net Increase/(Decrease) in Cash and Cash Equivalents Held		(44,190)	(17,425)
Cash and Cash Equivalents at Beginning of Year		65,536	82,961
Cash and Cash Equivalents at End of Financial Year	3	21,346	65,536

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

The financial report covers Stephen Michael Foundation Ltd as an individual entity. Stephen Michael Foundation Ltd is a not-for-profit Company Limited by Guarantee, registered and domiciled in Australia.

The functional and presentation currency of Stephen Michael Foundation Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1. BASIS OF PREPARATION

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Revenue and Other Income

The Company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

#### IN THE CURRENT YEAR

##### Operating Grants, Donations and Bequests

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

When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the grant;
- Recognises a contract liability for its obligations under the agreement; and
- Recognises revenue as it satisfies its performance obligations.

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

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

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

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The Company recognises income in profit or loss when or as the Company satisfies its obligations under the terms of the grant.

##### Interest Income

Interest Income is recognised using the effective interest method.

##### Dividend Income

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

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

#### **IN THE COMPARATIVE PERIOD**

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

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

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

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. All revenue is stated net of the amount of goods and services tax.

#### **(b) Income Tax**

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

#### **(c) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### **(d) Goods and Services Tax (GST)**

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(e) Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **(f) Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### **(g) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and In Hand		
SMF Main Account	19,947	62,228
Debit Card Account	1,399	3,308
<b>Total Cash and Cash Equivalents</b>	<b>21,346</b>	<b>65,536</b>
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>PLANT AND EQUIPMENT</b>		
Office Equipment		
At Cost	9,587	-
Accumulated Depreciation	(1,197)	-
<b>Total Office Equipment</b>	<b>8,390</b>	<b>-</b>
Property, Plant and Equipment		
At Cost	4,570	-
Accumulated Depreciation	(775)	-
<b>Total Property, Plant and Equipment</b>	<b>3,795</b>	<b>-</b>
Donated Assets		
At Cost	61,500	-
<b>Total Donated Assets</b>	<b>61,500</b>	<b>-</b>
<b>Total Plant and Equipment</b>	<b>73,685</b>	<b>-</b>
<b>Total Property, Plant and Equipment</b>	<b>73,685</b>	<b>-</b>
<b>5. CONTINGENCIES</b>		
In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2020.		

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>6. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Result for the Year to Cashflows from Operating Activities</b>		
Reconciliation of net income to net cash provided by operating activities:		
Profit for the Year	(23,958)	(125,941)
Cash Flows Excluded from Profit Attributable to Operating Activities		
Non-Cash Flows in Profit:		
- Depreciation	1,972	-
Changes in Assets and Liabilities:		
- (Increase)/Decrease in Trade and Other Receivables	(14,170)	(12,465)
- Increase/(Decrease) in GST	(3,408)	6,555
- Increase/(Decrease) in Trade and Other Payables	136,084	(16,860)
- Increase/(Decrease) in PAYG Payable	15,599	7,364
- Increase/(Decrease) in Deferred Income	(111,708)	111,708
- Increase/(Decrease) in Provisions	31,056	12,214
Cashflows from Operations	31,467	(17,425)
<b>7. STATUTORY INFORMATION</b>		
The registered office and principal place of business of the company is: Stephen Michael Foundation Ltd C/- South Fremantle Football Club Parry St Fremantle WA 6160		

# DIRECTOR'S DECLARATION

The directors declare that in the directors opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'JUD'.

Director

Dated this 14th day of December 2020

# INDEPENDENT AUDIT REPORT

## TO THE MEMBERS OF STEPHEN MICHAEL FOUNDATION LTD

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Stephen Michael Foundation Ltd, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion the financial report of Stephen Michael Foundation Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Daniel Papaphotis CPA  
Registered Company Auditor  
# - 410503  
154 High Street  
Fremantle WA 6160 Dated:



# DONATIONS & SUPPORT

Every week the SMF receive requests for program delivery in new regions across Western Australia plus additional requests from existing communities to increase program delivery and reach. This level of demand has been heightened by the devastating impact of Covid-19 on communities that were already doing it tough and communities who are now faced with even more challenging circumstances.

For this reason, the SMF continue to seek funding support through donations and sponsorships. With programs being delivered across metro, regional and remote WA, the SMF can also provide unique and rewarding volunteer experiences for anyone wishing to give back to the community.

If you would like to donate, sponsor or volunteer with the SMF simply visit our website at [www.smfoundation.org.au](http://www.smfoundation.org.au). As the SMF are a registered charity with Deductible Gift Recipient status, all donations over \$2 are tax deductible.



# STEPHEN MICHAEL

F O U N D A T I O N

*Reach high*

**STEPHEN MICHAEL FOUNDATION**

Fremantle Oval, Parry St, Fremantle

PO Box 368, Fremantle WA 6959

E: [admin@smfoundation.org.au](mailto:admin@smfoundation.org.au)

P: 9335 1555

W: [www.smfoundation.org.au](http://www.smfoundation.org.au)