

FOR CHANGE CO. LTD

ABN 72 749 248 340

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

FOR CHANGE CO. LTD
ABN 72 749 248 340
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS	PAGE
Directors' Report	1
Auditor's Independence Declaration	3
Statement of Financial Performance	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	14
Independent Auditor's Report	15

FOR CHANGE CO. LTD
ABN 72 749 248 340
DIRECTORS' REPORT

The Directors present their report on the company for the financial year ended 30 June 2023.

Directors

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

Name	Board Position	Date of Change
Judith Hargrave	Chairperson	
Myles Munro	Deputy Chairperson	
Paul Benveniste	Treasurer	
Katie Nichol	Secretary	Appointed November 2022
Tenille Gilbert	Director	
Levi Fernandez	Director	
Chris Mills	Director	

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

Review of Operations

The surplus of the company for the financial year amounted to \$115,346 (2022: \$18,052).

Principal Activities

For Change Co. is a social enterprise with the vision of an Australia free from youth homelessness.

The Company runs hospitality social enterprise venues that support its evidence-based programs targeting young people who are at-risk of homelessness. Every crêpe, coffee and jaffle has an impact, with 100% of the profits going towards the Company's key impact pillars of; confidence, housing, employment, education & community.

After balance day events

No matter has evolved since 30 June 2023 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

FOR CHANGE CO. LTD
ABN 72 749 248 340
DIRECTORS' REPORT

Members' Contribution on Winding Up

For Change Co. Ltd is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the company.

At 30 June 2023 the collective liability of members was \$40 (2022: \$40).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and is included in this report on Page 3.

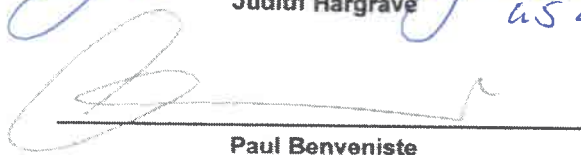
Signed in accordance with a resolution of the Board of Directors.

Director



Judith Hargrave *as at 27/11/2023*

Director



Paul Benveniste

Dated this

5th day of *Dec* 2023



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

Phone (03) 9680 1000
Fax (03) 9689 6605

www.collinsco.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
FOR CHANGE CO. LTD (FORMERLY KNOWN AS SOCIETY MELBOURNE LTD)
A.B.N. 72 749 248 340**

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there has been:

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

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011

Dated this 8th day of December 2023

FOR CHANGE CO. LTD
ABN 72 749 248 340
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
REVENUE FROM TRADING ACTIVITIES	818,323	338,963
Other Sales	818,323	338,963
LESS COST OF GOODS SOLD OF TRADING ACTIVITIES	274,094	123,330
GROSS REVENUE FROM TRADING ACTIVITIES	544,229	215,633
REVENUE FROM OTHER SOURCES	728,838	535,705
Donations	162,077	124,759
COVID-19 Government Assistance Payments	-	45,400
Gain on Disposal of Fixed Assets	7,000	-
Grants	549,217	364,951
Interest Received	344	367
Reimbursements	10,200	(2,602)
RMIT - Service Fee	-	2,830
EXPENDITURE	1,157,721	733,286
Advertising	9,269	10,258
Annual Leave Expense	4,698	3,914
Bank Fees	9,487	4,096
Consulting & Accounting	23,418	14,663
Crêpes for Change Fuel/Gas	1,603	740
Crêpes for Change Motor Vehicle Expenses	10,694	1,110
Crêpes for Change Repairs and Maintenance	1,343	480
Crêpes for Change Site Fees	5,915	394
Depreciation	23,694	26,339
Dues & Subscription	2,079	1,559
Electricity, Gas & Water	19,054	10,958
General Expenses - Society Melbourne	2,394	3,009
Hamper Expenses	-	3,001
home.one Start-Up Costs (Equipment - W/O Assets <\$20k)	290	-
Impact Donations	3,150	1,433
Insurance	20,678	15,093
Middle Park Expenses	(4,375)	2,919
Office Expenses	8,305	58
People & Culture - Volunteer Expenses	4,464	2,193
Postage & Courier	-	17
Professional Development Expenses	2,827	2,601
Rent	11,075	7,998
Repairs & Maintenance	4,449	2,074
Salaries & Wages	904,475	568,199
Society Melbourne Software Costs	4,993	4,527
Stripe Fees	1,691	(6)
Superannuation	82,051	45,659
The Coffee Cart Changing Lives - General Costs	-	-
TOTAL EXPENDITURE	1,157,721	733,286
NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO THE COMPANY	115,346	18,052

FOR CHANGE CO. LTD
ABN 72 749 248 340
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2	419,185	425,872
Trade and Other Receivables	3	23,806	7,115
Inventories	4	17,816	7,606
Prepayments		560	1,162
TOTAL CURRENT ASSETS		461,367	441,755
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	80,456	93,893
TOTAL NON-CURRENT ASSETS		80,456	93,893
TOTAL ASSETS		541,823	535,648
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	6	103,189	65,158
Income Received in Advance	7	40,600	192,500
Provisions	8	26,095	21,397
TOTAL CURRENT LIABILITIES		169,884	279,055
TOTAL LIABILITIES		169,884	279,055
NET ASSETS		371,939	256,593
EQUITY			
Accumulated members funds		371,939	256,593
TOTAL EQUITY		371,939	256,593

The balance sheet is to be read in conjunction with the audit report
and the notes to the financial statements.

FOR CHANGE CO. LTD
ABN 72 749 248 340
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated members funds \$	Total \$
Balance as at 1 July 2021	238,541	238,541
Surplus/(deficit) attributable to the Company	18,052	18,052
Balance as at 30 June 2022	<u>256,593</u>	<u>256,593</u>
Surplus/(deficit) attributable to the Company	115,346	115,346
Balance as at 30 June 2023	<u><u>371,939</u></u>	<u><u>371,939</u></u>

The statement of changes in equity is to be read in conjunction with the audit report and the notes to the financial statements.

FOR CHANGE CO. LTD
ABN 72 749 248 340
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		1,371,226	1,012,131
Payments to suppliers and employees		(1,375,000)	(811,854)
Interest received		344	367
Net cash generated from/(used in) operating activities	9	<u>(3,430)</u>	<u>200,644</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(10,257)	(116,639)
Proceeds from disposal of property, plant and equipment		7,000	-
Net cash (used in)/provided by investing activities		<u>(3,257)</u>	<u>(116,639)</u>
Net increase/(decrease) in cash held		(6,687)	84,005
Cash and cash equivalents at beginning of financial year		425,872	341,867
Cash and cash equivalents at end of financial year	2	<u><u>419,185</u></u>	<u><u>425,872</u></u>

FOR CHANGE CO. LTD
ABN 72 749 248 340
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1. Statement of Significant Accounting Policies

For Change Co. Ltd (formerly known as Society Melbourne Ltd) is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not for Profits Commission Act 2012*. The Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the general purpose financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

a. Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the Board commencing from the time the asset is held ready for use.

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance 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 the carrying amount. These gains and losses are included in the income statement.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

c. Income Tax

By virtue of its aims as set out in the constitution, the Association qualifies as an organisation specifically exempt from income tax under the *Income Tax Assessment Act 1997*.

g. Provisions

Provisions are recognised when the Association 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.

Note 1. Statement of Significant Accounting Policies (continued)

c. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Company applies Australian Accounting Standards AASB 15 and AASB 1058.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

- Step 1 – Identify the contract with the customer
- Step 2 – Identify the sufficiently specific performance obligations to be satisfied
- Step 3 – Measure the expected consideration
- Step 4 – Allocate that consideration to each of the performance obligations in the contract
- Step 5 – Recognise revenue

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

Interest Received

Interest revenue is recognised when the entity obtains control over the funds which is generally at the time of receipt.

Fees for Services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

f. Employment Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled.

Contributions are made by the association to employee superannuation fund and are charged as expenses when incurred.

FOR CHANGE CO. LTD
ABN 72 749 248 340
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Note 2. Cash and Cash Equivalents		
Cash at Bank	419,185	425,872
	<u>419,185</u>	<u>425,872</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	419,185	425,872
	<u>419,185</u>	<u>425,872</u>
Note 3. Trade and Other Receivables		
Accounts Receivable	11,557	3,675
Other Receivables	12,249	3,440
	<u>23,806</u>	<u>7,115</u>
Note 4. Inventories		
Café Supplies	17,816	7,606
	<u>17,816</u>	<u>7,606</u>
Note 5. Property, Plant & Equipment		
Plant & Equipment		
Cost	53,998	64,736
Accumulated Depreciation	(53,998)	(64,736)
	<u>-</u>	<u>-</u>
Food Truck		
Cost	73,407	73,407
Accumulated Depreciation	(73,407)	(73,407)
	<u>-</u>	<u>-</u>
Middle Park Café		
Cost	122,196	112,919
Accumulated Depreciation	(41,740)	(19,026)
	<u>80,456</u>	<u>93,893</u>
Website		
Cost	1,900	1,900
Accumulated Depreciation	(1,900)	(1,900)
	<u>-</u>	<u>-</u>
Total Property, Plant & Equipment	<u>80,456</u>	<u>93,893</u>

FOR CHANGE CO. LTD
ABN 72 749 248 340
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 6. Trade and Other Payables		
Current - unsecured		
Accounts Payable	11,455	7,309
Accrued Expenses	32,750	24,498
GST Payable	26,914	2,524
PAYGW Payable	8,778	17,804
Superannuation Payable	<u>23,292</u>	<u>13,023</u>
	<u>103,189</u>	<u>65,158</u>
 Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	103,189	65,158
- Total non-current	-	-
	<u>103,189</u>	<u>65,158</u>
 Note 7. Income Received in Advance		
Current		
Grants Received in advance	<u>40,600</u>	<u>192,500</u>
	<u>40,600</u>	<u>192,500</u>
 Note 8. Provisions		
Current - unsecured		
Provision for Annual Leave	<u>26,095</u>	<u>21,397</u>
	<u>26,095</u>	<u>21,397</u>

FOR CHANGE CO. LTD
ABN 72 749 248 340
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 9. Cash Flow Information		
Reconciliation of cash flow from operations with profit after income tax		
Operating surplus/(deficit)	115,346	18,052
Non-cash Flows in Operating Result:		
Depreciation	23,694	26,339
Gain on Disposal of Fixed Assets	(7,000)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(16,691)	18,581
(Increase)/decrease in prepayments	602	(608)
(Increase)/decrease in inventories	(10,210)	(2,118)
Increase/(decrease) in trade and other payables	38,031	17,235
Increase/(decrease) in income received in advance	(151,900)	119,249
Increase/(decrease) in provisions	4,698	3,914
Cash flow from operations	(3,430)	200,644

FOR CHANGE CO. LTD
ABN 72 749 248 340
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Note 7. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and accounts and other receivables.

The Company does not have any derivative instruments at 30 June 2023.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$	2022 \$
Financial Assets			
Cash and cash equivalents	3	419,185	425,872
Accounts and other receivables	4	<u>23,806</u>	<u>7,115</u>
		<u>442,991</u>	<u>432,987</u>
Financial Liabilities			
Trade and other payables	6	<u>103,189</u>	<u>65,158</u>
		<u>103,189</u>	<u>65,158</u>

Note 8. Related Party Transactions

The Directors are not remunerated for their services to the company as directors.

Ms Tenille Gilbert acts as the Managing of the company and are remunerated at a market rate.

There were no other transactions with related parties during the 2023 year.

Note 9. Company Details

The registered office of the company is:

For Change Co. Ltd
6 Florence Street
BRUNSWICK VIC 3056

The principal place of business of the company is:

For Change Co. Ltd
6 Florence Street
BRUNSWICK VIC 3056

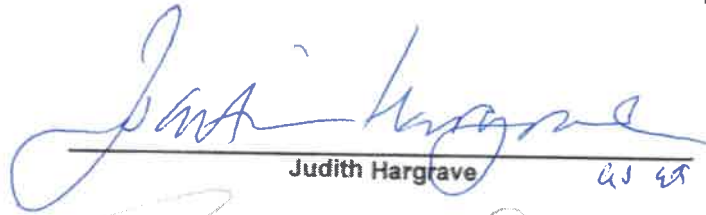
FOR CHANGE CO. LTD
ABN 72 749 248 340
DIRECTORS' DECLARATION

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

1. 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
2. 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*.

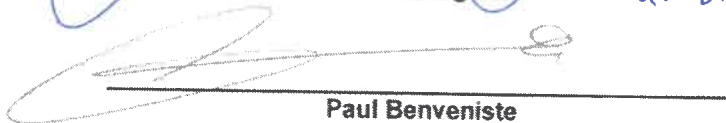
Director



Judith Hargrave

as at 27/11/2023

Director



Paul Benveniste

Dated this

5th day of Dec. 2023



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

Phone (03) 9680 1000
Fax (03) 9689 6605

www.collinsco.com.au

**FOR CHANGE CO. LTD (FORMERLY KNOWN AS SOCIETY MELBOURNE LTD)
A.B.N. 72 749 248 340
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

Opinion

I have audited the accompanying financial report of For Change Co. Ltd (formerly known as Society Melbourne Ltd) (the Company), which comprises the balance sheet as at 30 June 2023, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, the financial report of the Company is in accordance with *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 2023 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1 and *the Australian Charities and Not for Profits Commission Act 2012*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. I am independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist For Change Co. Ltd (formerly known as Society Melbourne Ltd) to meet the requirements of the *Australian Charities and Not for Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

Phone (03) 9680 1000
Fax (03) 9689 6605

www.collinsco.com.au

Auditor's Responsibilities for the Audit of the Financial Report

My 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity'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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I 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 controls that I identify during my audit.

Auditor: Frederik Ryk Ludolf Eksteen

ASIC Registration Number: 421448

Address: Collins & Co Audit Pty Ltd, 127 Paisley Street, FOOTSCRAY VIC 3011

Signature:

Date: 8 December 2023