



STATEWIDE AUTISTIC SERVICES LTD

2021 ANNUAL REPORT

**ABN
43 511 367 128**

SASI Chair Report

Dear Members, Clients, and Stakeholders,

I am pleased to present this annual report on behalf of the SASI Board.

While the ongoing pandemic has continued to test our shared fortitude and resilience personally and professionally, I want to thank all families for their patience and understanding as the SASI team have continued to work so hard to safely implement the ever-changing government restrictions, in the form of closures, social distancing PPE, training and protocols.

Once again, I am so proud of our clients who continue to meet every challenge in their stride, from restrictions to their movements, to wearing masks, and hygiene protocols. Our clients have continued to completely defy many common perceptions about their ability to accept and adapt to change with enthusiasm and grace. Of course, none of this would happen without the engagement of our families and carers, this year, more than ever. I thank everyone for their flexibility, patience, compassion, and teamwork. Success is only possible when we do this together.

Amongst all this disruption, so much good has come out of this year, as our executive team, team leaders and staff have also had to further adapt and continue to reinvent. I am so proud of how so many have never given up and simply gone the extra mile without being asked, over and over again. So, while I have always been proud of the SASI team, this has never been truer than this year. Many organisations in our sector are flailing or withdrawing from services. Apart from the major efforts that have taken place within our supported independent living (SIL) units, COVID-19 has also had a dramatic impact on our Active Choices programme. With COVID-19 restrictions on physical distancing our Centre based Active Choices have been closed for some time during this year.

Despite staff working remotely, the culture of the organisation goes from strength to strength. In this year of incredible challenge, the SASI staff have risen again and proved themselves innovative, flexible, and incredibly passionate. They love their work, and we love them for that.

Despite the challenges of COVID, this year, we have continued our commitment to strong governance. With Vivienne Cochrane passing the Chair baton to myself, and Angelia Dixon generously taking up the role of Deputy Chair. We will be recruiting new Directors in the new year and look forward to adding to what is already a highly skilled and committed board.

I am pleased to report that the board has continued to meet diligently on monthly basis virtually. All sub-committees have also continued to meet on a monthly or quarterly basis on zoom meetings.

We have also invested valuable time this year in developing our 3 Year strategic plan 2021-2024. This new plan outlines our strategic objectives and priorities, we have a number of exciting outcomes to share in Innovation, Growth and Development. In this ever- changing world, it is extremely important that we continue to evolve and ensure we maintain and grow our impact and goal-based programs for our clients.

The Royal Commission continues, and we expect there will be lessons to be learnt for governments, bureaucrats, operators and of course SASI. We welcome anything that helps us to continue to strengthen and deliver on our purpose of helping clients with a disability to live the lives they choose.

In conclusion, while this has been a challenging year, we have emerged stronger and more resilient as we look to the future. I would like to thank the CEO, Management team, the Staff and Board for all their hard work and commitment. We all look forward to a more normal year, with an even better future for SASI and the clients we were created to serve. Stay safe.

Louise Georgeson GAICD

Chair

SASI – CEO Report

The 2021 financial year has been a consistent challenge, constantly managing the changing conditions of the pandemic in the State of Victoria. To date, six lockdowns of varying lengths have hugely affected all in our community, most particularly our clients, staff and their families.

I would like to commend the staff and our clients who have continued valiantly through the year with flexibility, grace and good humour, mostly!

The ONE SASI culture I feel has sustained our community through the adversity of this year, there have been times of great angst, but with perseverance we have prevailed together, with our focus on offering our families a quality service for their loved ones within trying times.

The staff who have continued providing supports to our clients during the year have done a fantastic job of being flexible and retaining an air of normalcy for our clients, for which I thank them wholeheartedly.

Our Behaviour Support and Support Co-ordination teams have expanded to provide increased supports to a growing number of clients and their families.

As always, the NDIS machine has required many changes to the administration of the scheme so we have had to be inventive to try and streamline our service to ensure families feel supported.

JobKeeper enabled us to maintain our staff during the major lockdown in 2020 and we used the time and resource to create, enhance and refurbish SASI buildings and systems. The former active choice site in Croydon was closed and the building sold, and the Baxter site was also put on the market and sold, being unable to operate in the multi-dimensional way we envisioned. Lastly, we were able to review and refurbish the Seaford site, (formerly Beachlyn) to incorporate a range of new support offerings including hospitality, gaming & IT, performing arts, visual arts and soon to commence School Leavers Employment Program (SLES).

SASI entered into a shared leasing arrangement with the Salvation Army at their site in Mt Martha in Feb 2021 and the SASI Head Office in Frankston was vacated on 30 June 2021 as the space was no longer needed, all administrative support staff work remotely and meet on site with either Mt Martha or Seaford as and when required.

All SASI Board and Committee meetings have been held virtually this year, including the Client Committee who have become quite adept at meeting virtually. We are fortunate to have a committed staff group who have done their utmost to support our clients and families across all services, and some of our clients have developed really good skills in the 'virtual' world.

A Strategy day was held in March to review and look forward to plans for the future. We created a vision for the next 3 years which we will be working towards.

Our website has been overhauled and on-line programs have been developed. Our newsletter (Pebble), and social media sites go from strength to strength and we continue to see increased traffic which is valuable as communicating to our supporters is vital.

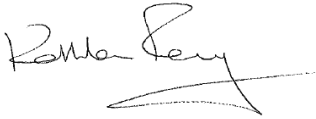
I would like to thank the numerous individuals and companies, who have donated funds to SASI over the year to assist us in providing support to our clients: Michael and Lois Haessler, DSP Electronics, and Ritchies. We greatly appreciate all thoughtful contributions and ensure they are used to provide items or activities to assist support our clients reach their goals. It has been awe-inspiring to see how all SASI staff have adapted to the constraints placed on the whole community related to the pandemic. Our clients are vulnerable and, reportedly, are not keen on changes to routine, however, in many instances our clients have surprised us with their resilience and acceptance of the 'new normal'. We are very fortunate to have a highly experienced, professional and committed group of staff, who continue to support all our clients and families to achieve their goals in life.

Statewide Autistic Services Ltd
Annual report

I'd like to thank our Executive, Lisa, Melissa and Nikki for their support. And last, but not least I'd like to thank Vivienne Corcoran, former SASI Chair, Louise Georgeson, current Chair and our Independent Chair of Finance Tony Christmas, and all the SASI Board and independent members who give their time generously ensuring our organisation is well governed and sustainable. They have been extremely supportive to myself and our Executive.

Providing quality support to people with a disability takes committed people and I would like to acknowledge and thank all our Board, clients, staff, and all families and carers in the SASI community.

We look forward to a new year which brings with it some certainty, and our exciting plans for 2022 developed. SASI is ready for all new challenges to ensure our clients achieve their goals in life.

A handwritten signature in black ink, appearing to read 'Kath Ferry', with a long horizontal flourish extending to the right.

Kath Ferry

Chief Executive Officer

SASI – FINANCE Report

2021 presented numerous challenges for SASI across all areas of service delivery. Managing supports during a pandemic, together with resources heavily impacted by decisions out of our control and legislative impingements from both State and Federal Health Departments made continuing support to our clients a challenge.

SASI generated a surplus of \$229,557 however this was heavily subsidised by the Federal JobKeeper subsidy of which SASI was in receipt of around \$2M. The wage subsidy enabled SASI to continue to operate at pre-pandemic staffing levels and supported full staffing at an operational and administrative levels.

The surplus is further boosted to \$699,368 when consideration is given to the revaluation of assets that is undertaken every three years. SASI has seen upward movement in almost all properties.

During the year, continued focus, carried over from last year was shown towards reducing the Debtor balance. The receivables balance at 30 June 2019 was \$1,590,441, at 30 June 2020 was \$503,311 and at the end of this Financial year was \$416,623. This is slightly overstated due to a delayed receivable from the NDIS for worker mobility which would have seen the balance below \$400k. The balance post year end is regularly around \$300k. SASI has seen a shift this year to higher family balances which is likely a result of the pressure the pandemic is placing across all areas of our community.

The impact of COVID which began in March of the prior financial year and ran all through the current year has heavily impacted our Active Choice facilities, in-home Support services and recreational activities which has a flow on impact to our turnover. Further, legislative requirements surrounding the movement of staff, not just between employers but between sites created workforce shortages and impacted SASI heavily in our leave provisions. Staff shortages and border closures meant staff taking a break was challenging and leave balances have increased accordingly and further impacted our financial position.

This year has seen a focus on reviewing all contracts and a new IT provider has been appointed which has enabled SASI to minimise wage costs, reduce IT costs and transition SASI to a cloud-based system. This will have flow on cost reduction over the coming years. SASI continues to review all costs and is constantly reviewing administrative and operational structures, service delivery methodology, and other revenue streams and suppliers. We continue to look for alternative revenue streams to reduce our reliance on Government funding.

The SASI finance team has undergone a restructure to ensure that the team was best placed to deal with changing accounting standards and the increased need for 'real time' financial data to enable timely decision making for decision makers at SASI. As a result, the team now includes an additional Accountant and we are focusing heavily on ensuring financial information is timely, accurate and relevant.

I would like to thank management and all Committee members for their work during this year under very challenging circumstances.

Tony Christmas (Independent Member)
Chair of Finance Committee

Statewide Autistic Services Ltd

ABN 43 511 367 128

Annual Report - 30 June 2021

Statewide Autistic Services Ltd
Directors' report
30 June 2021

The Directors present their report, together with the financial statements, on the Company for the year ended 30 June 2021.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Vivienne Corcoran - Resigned November 2020

Louise Georgeson

Tony Christmas - Retired October 2020

Angelia Dixon

Dr Yi-Lee Phang - Resigned September 2020

Gerard Sheridan

Rosemary Ide

Catherine Wyatt

Dan Romanis - Resigned May 2021

Robert Macindoe - Co-opted February 2021

David Szepfalusy - Co-opted March 2021

Principal activities

During the financial year, the principal continuing activities of the Company were providing support to people on the autism spectrum and other complex disabilities. The support provided includes group homes, residential respite, community recreational activities, in-home and day service support activities.

Objectives

The Company's short-term objectives are:

To support existing clients and their families across to the NDIS;

To ensure our support services are person-centred, efficient, effective and flexible; To maintain and develop an appropriately qualified and skilled workforce;

To develop a workforce plan to meet the needs of the NDIS.

The Company's long-term objectives are:

To expand the service offering to enable a broader range of supports to be offered to a larger group of people with a disability across a greater geographic span;

To be the 'Go to place for people on the autism spectrum'.

Strategy for achieving the objectives

The Company shall pursue the primary objective by providing individual and group support to people on the autism spectrum and other complex disabilities to live the life they choose. The range of support will include; all aspects of individual support to people on the autism spectrum and their families and carers, training, consultancy, and research support.

The Company will maintain existing supports for people on the autism spectrum and other complex disabilities, and invest in quality service provision, person centered care and expansion of the scope of disability supports.

Performance measures

The Company measures its performance relating to service delivery to using the SASI Goal Mastery Program which measures the client's achievement of their individual goals. From a financial perspective we aim to return a surplus annually to enable reinvestment in the Company to expand its service offerings to a broader cohort of clients and their families.

**Statewide Autistic Services Ltd
Directors' report
30 June 2021**

Information on Directors

Name: Louise Georgeson
Title: Non-Executive Chairman
Qualifications: B.Comms, GAICD
Experience and expertise: Louise has held various leadership roles in both the US and Australia, across a range of sectors including the Arts, toy sector, interior design and fundraising. She has a number of years of Director experience across a range of private organisations.
Special responsibilities: Chair

Name: Angelia Dixon
Title: Non-Executive Director
Qualifications: B. AppSc, MBA
Experience and expertise: Angelina has held a number of senior leadership roles in the health and emergency service areas. She is a current Director of Biala, and former Director of Impact and Melba Boards.
Special responsibilities: Deputy Chair and Member of Quality & Risk Committee

Name: Gerard Sheridan
Title: Non-Executive Director
Qualifications: BA
Experience and expertise: Gerard has over 25 years' experience in Commonwealth investigations and professional standards. He is a parent of three children with Autism Spectrum Disorder.
Special responsibilities: Chair of Parents, Carers & Clients Committee

Name: Rosemary Ide
Title: Non-Executive Director
Qualifications: BA, CTA, MAppTax
Experience and expertise: Rosemary is a senior professional in a major accounting firm, with a focus in the private business sector as well as an interest in health. She has a close family member on the autism spectrum.
Special responsibilities: Member of Finance & Audit Committee

Name: Catherine Wyatt
Title: Non-Executive Director
Qualifications: MBBS DRANZCOG
Experience and expertise: Catherine is a general practitioner with over 30 years of experience in community medicine. She has been on several boards including a school, two aged care facilities and Amaze. She has an adult son on the autism spectrum.
Special responsibilities: Parent & Carer Committee, Quality & Risk Committee

Name: Rob Macindoe
Title: Non-Executive Director
Qualifications: GAICD, Master of Applied Science (Organisation Dynamics), Grad Dip Business Leadership, Grad Dip Recreation (Planning & Management)
Experience and expertise: Rob has extensive experience in the health and human services sector at both practitioner and executive management levels. He is actively involved in policy development including peak body representation and has a strong focus on stakeholder engagement and governance particularly in the not-for-profit sector. He is the current Independent Chair of Headspace Frankston and Executive Director of SEHCP Inc. He has held many Non-Executive Director roles in Health, Education and Community organisations. Rob has demonstrated capacity in strategic business planning and director, financial and capital management, project evaluation and oversight of human resource management.
Special responsibilities: Chair of Quality & Risk Committee

Statewide Autistic Services Ltd
Directors' report
30 June 2021

Name: David Szeppfalusy
Title: Non-Executive Director
Qualifications: BSc (Business), MBA, RCA, CPA , Tax agent, Dip Financial Planning
Experience and expertise: David originally joined SASI as an Independent Adviser on the Finance Committee. He has broad expertise in the finance and audit area, and works in the local community working with a number of Not for Profit clients. He has experience working with many Boards in his role as auditor and has an in-depth knowledge of the fiduciary duties of a Director.
Special responsibilities: Member Finance & Audit Committee

Company secretary

Kath Ferry, CEO of Statewide Autistic Services Ltd, has held the role of Company Secretary since November 2015. She has over 25 years of experience in the health profession and has been a Company secretary for a number of other not for profit companies. Kath is a member of the Australian Institute of Company Directors and has attended Company Secretary professional development through Governance Institute of Australia ('GIA').

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board		Finance & Audit Meeting	
	Held	Attended	Held	Attended
Vivienne Corcoran	5	5	-	-
Louise Georgeson	11	11	-	-
Tony Christmas	4	4	11	9
Angelia Dixon	11	9	-	-
Catherine Wyatt	11	10	-	-
Gerard Sheridan	11	9	-	-
Rosemary Ide	11	9	11	10
Dan Romanis	11	9	-	-
Rob Macindoe	5	5	-	-
David Szeppfalusy	4	4	4	4

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Contributions on winding up

In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the Company are liable to contribute if the Company is wound up is \$90 based on 9 current ordinary members.

Statewide Autistic Services Ltd
Directors' report
30 June 2021

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

26 October 2021

Statewide Autistic Services Ltd

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General information

The financial statements cover Statewide Autistic Services Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Statewide Autistic Services Ltd's functional and presentation currency.

Statewide Autistic Services Ltd is a not-for-profit unlisted public Company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

13 Sir Laurence Drive
SEAFORD VIC 3199

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 October 2021. The Directors have the power to amend and reissue the financial statements.

Statewide Autistic Services Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue	3	11,888,174	13,464,310
Expenses			
Funds returned to DHHS	4	(41,164)	(859,370)
Employee benefits expense		(8,876,999)	(9,773,641)
Motor Vehicle expense		(141,968)	(243,804)
Depreciation and amortisation expense	4	(588,043)	(459,486)
Services expense		(221,209)	(214,350)
Insurance and workcover expense		(446,945)	(407,311)
Finance costs		(33,103)	(24,676)
Other expenses		(1,309,186)	(1,233,835)
Surplus before income tax expense		229,557	247,837
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Statewide Autistic Services Ltd		229,557	247,837
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		469,811	-
Other comprehensive income for the year, net of tax		469,811	-
Total comprehensive income for the year attributable to the members of Statewide Autistic Services Ltd		<u>699,368</u>	<u>247,837</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statewide Autistic Services Ltd
Statement of financial position
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	5	7,837,853	5,521,909
Trade and other receivables	6	540,652	1,029,960
Other	8	91,133	58,854
Total current assets		<u>8,469,638</u>	<u>6,610,723</u>
Non-current assets			
Property, plant and equipment	9	6,771,788	9,221,403
Right-of-use assets	7	802,393	703,535
Intangibles		1,444	1,444
Total non-current assets		<u>7,575,625</u>	<u>9,926,382</u>
Total assets		<u>16,045,263</u>	<u>16,537,105</u>
Liabilities			
Current liabilities			
Trade and other payables	10	483,164	1,951,389
Lease liabilities	11	288,746	287,713
Employee benefits	12	1,323,563	965,070
Other		-	2,970
Total current liabilities		<u>2,095,473</u>	<u>3,207,142</u>
Non-current liabilities			
Lease liabilities	11	529,676	429,215
Employee benefits	12	177,913	357,915
Total non-current liabilities		<u>707,589</u>	<u>787,130</u>
Total liabilities		<u>2,803,062</u>	<u>3,994,272</u>
Net assets		<u>13,242,201</u>	<u>12,542,833</u>
Equity			
Reserves	13	4,569,727	4,099,916
Retained surpluses		<u>8,672,474</u>	<u>8,442,917</u>
Total equity		<u>13,242,201</u>	<u>12,542,833</u>

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

Statewide Autistic Services Ltd
Statement of changes in equity
For the year ended 30 June 2021

	Asset Revaluation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	4,099,916	8,195,080	12,294,996
Surplus after income tax expense for the year	-	247,837	247,837
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	247,837	247,837
Balance at 30 June 2020	<u>4,099,916</u>	<u>8,442,917</u>	<u>12,542,833</u>
	Asset Revaluation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	4,099,916	8,442,917	12,542,833
Surplus after income tax expense for the year	-	229,557	229,557
Other comprehensive income for the year, net of tax	469,811	-	469,811
Total comprehensive income for the year	469,811	229,557	699,368
Balance at 30 June 2021	<u>4,569,727</u>	<u>8,672,474</u>	<u>13,242,201</u>

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

Statewide Autistic Services Ltd
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from grants and clients		11,161,721	12,622,100
Payments to suppliers and employees		<u>(11,178,608)</u>	<u>(10,984,107)</u>
		(16,887)	1,637,993
Interest received		31,915	65,923
Finance costs		<u>(33,103)</u>	<u>(24,676)</u>
Net cash from/(used in) operating activities		<u>(18,075)</u>	<u>1,679,240</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	(268,013)	(2,124,035)
Proceeds from property, plant and equipment		<u>2,957,392</u>	<u>903,190</u>
Net cash from/(used in) investing activities		<u>2,689,379</u>	<u>(1,220,845)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(355,360)</u>	<u>(225,592)</u>
Net cash used in financing activities		<u>(355,360)</u>	<u>(225,592)</u>
Net increase in cash and cash equivalents		2,315,944	232,803
Cash and cash equivalents at the beginning of the financial year		<u>5,521,909</u>	<u>5,289,106</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>7,837,853</u></u>	<u><u>5,521,909</u></u>

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments. As permitted by AASB 1053 for early adoption of AASB 1060, comparative information has not been provided for these new disclosures.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

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

Revenue recognition

The Company recognises revenue as follows:

Revenue is recognised either under AASB 15 or AASBB 1058

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount that reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

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

Note 1. Significant accounting policies (continued)

Grant income

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations, it will result in the recognition of a receivable, contract asset or contract liability.

AASB 1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Capital grants

Capital grants received under an enforceable agreement to enable the Company to acquire or construct an items of property, plant and equipment to identified specifications which will be controlled by the Company (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisition of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

Income tax

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

Current and non-current classification

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

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

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

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1. Significant accounting policies (continued)

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings and improvements	3.75% DV
Plant and equipment	20% SL
Motor Vehicles	20% SL
Furniture, fixtures and fittings	20% SL

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

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

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

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

Impairment of non-financial assets

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

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

Note 1. Significant accounting policies (continued)

Trade and other payables

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

Lease liabilities

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

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

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

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

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

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 1. Significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Statewide Autistic Services Ltd
Notes to the financial statements
30 June 2021

Note 3. Revenue

	2021	2020
	\$	\$
Operating activities		
Government grants	20,000	298,429
NDIS	8,613,356	11,183,883
Fees for services provided	956,931	833,669
	<u>9,590,287</u>	<u>12,315,981</u>
	2021	2020
Non-operating activities		
Interest	31,915	65,923
Other revenue	47,501	7,277
Government assistance payments received	2,218,471	1,075,129
	<u>2,297,887</u>	<u>1,148,329</u>
Total Revenue	<u>11,888,174</u>	<u>13,464,310</u>

Note 4. Expenses

Surplus before income tax includes the following specific expenses:

	2021	2020
	\$	\$
Depreciation and amortisation of non-current assets		
Buildings	127,944	120,662
Plant and equipment	66,950	63,236
Furniture, fixtures and fittings	4,466	5,226
Motor vehicles	7,144	12,890
Software	23,543	18,487
Right of use	357,996	238,985
	<u>588,043</u>	<u>459,486</u>
	2021	2020
Funds returned to DHHS	<u>41,164</u>	<u>859,370</u>

Note 5. Cash and cash equivalents

	2021	2020
	\$	\$
<i>Current assets</i>		
Cash on hand	3,599	9,564
Cash at bank	4,858,424	2,569,156
Cash on deposit	2,975,830	2,943,189
	<u>7,837,853</u>	<u>5,521,909</u>

Statewide Autistic Services Ltd
Notes to the financial statements
30 June 2021

Note 6. Trade and other receivables

	2021	2020
	\$	\$
<i>Current assets</i>		
Trade receivables	416,623	503,311
Accrued income	61,749	405,437
	<u>478,372</u>	<u>908,748</u>
 BAS receivable	 <u>62,280</u>	 <u>121,212</u>
	<u><u>540,652</u></u>	<u><u>1,029,960</u></u>

Note 7. Right-of-use assets

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	640,892	418,864
Less: Accumulated depreciation	(130,156)	(149,800)
	<u>510,736</u>	<u>269,064</u>
 Motor vehicles - right-of-use	 444,264	 514,744
Less: Accumulated depreciation	(157,484)	(87,167)
	<u>286,780</u>	<u>427,577</u>
 Office equipment - right-of-use	 8,912	 8,912
Less: Accumulated depreciation	(4,035)	(2,018)
	<u>4,877</u>	<u>6,894</u>
	<u><u>802,393</u></u>	<u><u>703,535</u></u>

Additions to the right-of-use assets during the year were \$570,393 and depreciation charged to profit or loss was \$357,996.

The Company leases land and buildings for its offices sites under agreements of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Company also leases motor vehicles and office equipment under agreements of between 2 to 5 years.

The Company leases other premises of 12 months or less. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and Buildings \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at 1 July 2020	269,064	427,577	6,894	703,535
Additions	570,393	-	-	570,393
Disposals	(113,539)	-	-	(113,539)
Depreciation expense	(215,182)	(140,797)	(2,017)	(357,996)
 Balance at 30 June 2021	 <u><u>510,736</u></u>	 <u><u>286,780</u></u>	 <u><u>4,877</u></u>	 <u><u>802,393</u></u>

Statewide Autistic Services Ltd
Notes to the financial statements
30 June 2021

Note 8. Other

	2021	2020
	\$	\$
<i>Current assets</i>		
Prepayments	81,445	49,166
Security deposits	9,688	9,688
	<u>91,133</u>	<u>58,854</u>

Note 9. Property, plant and equipment

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Land - at independent valuation	4,200,000	4,304,500
Land - at cost	-	665,000
	<u>4,200,000</u>	<u>4,969,500</u>
Buildings - at valuation	2,240,000	2,990,506
Buildings - at cost	-	1,100,000
Less: Accumulated depreciation	-	(217,430)
	<u>2,240,000</u>	<u>3,873,076</u>
Leasehold improvements - at cost	169,129	201,385
Less: Accumulated depreciation	(89,925)	(97,335)
	<u>79,204</u>	<u>104,050</u>
Plant and equipment - at cost	846,516	793,055
Less: Accumulated depreciation	(652,594)	(609,165)
	<u>193,922</u>	<u>183,890</u>
Fixtures and fittings - at cost	214,055	200,781
Less: Accumulated depreciation	(196,504)	(196,280)
	<u>17,551</u>	<u>4,501</u>
Motor vehicles - at cost	137,892	162,362
Less: Accumulated depreciation	(125,798)	(128,536)
	<u>12,094</u>	<u>33,826</u>
Software - at cost	70,634	70,634
Less: Accumulated depreciation	(41,617)	(18,074)
	<u>29,017</u>	<u>52,560</u>
	<u><u>6,771,788</u></u>	<u><u>9,221,403</u></u>

Statewide Autistic Services Ltd
Notes to the financial statements
30 June 2021

Note 9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Leasehold Improvements \$	Plant and equipment \$	Furniture, fixtures and fittings \$	Motor Vehicles \$	Software \$	Total \$
Balance at 1 July 2020	4,969,500	3,873,076	104,050	183,890	4,501	33,826	52,560	9,221,403
Additions	-	161,513	1,079	87,905	17,516	-	-	268,013
Disposals	(1,565,000)	(1,348,513)	(20,624)	(10,923)	-	(14,588)	-	(2,959,648)
Revaluation increments	795,500	-	-	-	-	-	-	795,500
Revaluation decrements	-	(325,689)	-	-	-	-	-	(325,689)
Depreciation expense	-	(120,387)	(5,301)	(66,950)	(4,466)	(7,144)	(23,543)	(227,791)
Balance at 30 June 2021	<u>4,200,000</u>	<u>2,240,000</u>	<u>79,204</u>	<u>193,922</u>	<u>17,551</u>	<u>12,094</u>	<u>29,017</u>	<u>6,771,788</u>

Valuations of land and buildings

The Company's land and buildings were revalued in May 2021 by independent values, Opteon Property Group Pty Ltd. Valuations were made on the basis of open market value. The valuation resulted in a revaluation increment being credited to the Asset Revaluation Reserve for the year ended 30 June 2021.

Note 10. Trade and other payables

	2021 \$	2020 \$
<i>Current liabilities</i>		
Trade payables	194,375	958,406
Payable to NDIA	-	681,947
Other payables	288,789	311,036
	<u>483,164</u>	<u>1,951,389</u>

Statewide Autistic Services Ltd
Notes to the financial statements
30 June 2021

Note 11. Lease liabilities

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>288,746</u>	<u>287,713</u>
<i>Non-current liabilities</i>		
Lease liability	<u>529,676</u>	<u>429,215</u>
	<u><u>818,422</u></u>	<u><u>716,928</u></u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	317,233	313,866
One to five years	557,999	454,650
Future finance charges	<u>(56,810)</u>	<u>(51,588)</u>
	<u><u>818,422</u></u>	<u><u>716,928</u></u>

Note 12. Employee benefits

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Annual leave	785,192	555,259
Long service leave	<u>538,371</u>	<u>409,811</u>
	<u>1,323,563</u>	<u>965,070</u>
<i>Non-current liabilities</i>		
Long service leave	<u>177,913</u>	<u>357,915</u>
	<u><u>1,501,476</u></u>	<u><u>1,322,985</u></u>

Note 13. Reserves

	2021	2020
	\$	\$
Asset revaluation reserve	<u>4,569,727</u>	<u>4,099,916</u>

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Statewide Autistic Services Ltd
Notes to the financial statements
30 June 2021

Note 14. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below, noting that the executive team has increased from 3 to 4 members in 2021:

	2021	2020
	\$	\$
Aggregate compensation	<u>675,657</u>	<u>497,122</u>

Note 15. Remuneration of auditors

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

	2021	2020
	\$	\$
<i>Audit services -</i>		
Audit of the financial statements	<u>22,000</u>	<u>22,200</u>
<i>Other services -</i>		
Preparation of the financial statements	<u>2,000</u>	<u>2,000</u>
	<u>24,000</u>	<u>24,200</u>

Note 16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 14.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 17. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Statewide Autistic Services Ltd
Directors' declaration
30 June 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Louise Georgeson

26 October 2022

Statewide Autistic Services Ltd

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

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

In our opinion the financial report of Statewide Autistic Services Ltd. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards - Simplified Disclosures 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 (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.

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

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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 Statements

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>

This description forms part of our independent auditor's report.



William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136



C. L. Siddles

Director

Melbourne, 26th October 2021