JOII LIMITED

ABN: 55 621 826 051

Financial Report For The Year Ended 30 June 2021

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Financial Report For The Year Ended 30 June 2021

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JOII LIMITED
ABN: 55 621 826 051
DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Jared Sa-Bin Harder
Timothy David Hanna appointed (3/09/2020)
Henk Wessel La Dru appointed (3/09/2020)
Jan Maggacis appointed (18/11/2020)
Alenta Kabamba appointed (18/11/2020)
Mark Passfield appointed (24/06/2021)

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

Principal Activities

The principal activity of the entity during the financial year was:

A not-for-profit, operating to generate funding through social enterprises to successfully operate an expanding social impact program focused on creating opportunities related to employment pathways and housing. These programs enabled long term unemployed, those with a disability and parolees to learn the required skills and character traits to be successful in a modern workplace. The funding also provided for the purchase of land and the construction of a “share house” in the Ipswich region.

Short-term and Long-term Objectives

The entity's short-term objectives are to:

Structure and grow its Social Enterprises to ensure a long term and stable income source to operate the social impact programs.

The entity's long-term objectives are to:

Operate multiple social impact programs related to employment pathways and to build ‘share houses’ to support those with a disability or parolees needing accommodation.

Strategies

To achieve its stated objectives, the entity has adopted a twofold strategys:

1. Creating social impact programs that provide hope and opportunity for the disadvantaged and vulnerable. The programs focus on providing employment, pathways to employment and housing opportunities.
2. Setting up sustainable funding creation social enterprises whose objective is to support the vision.

Key Performance Measures

The entity measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the entity’s short-term and long-term objectives are being achieved.

Information on Directors

Jared Sa-Bin Harder	—	Director
Timothy David Hanna	—	Director
Henk Wessel La Dru	—	Director & Chair Person
Jan Maggacis	—	Director
Alenta Kabamba	—	Director
Mark Passfield	—	Director

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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Jared Sa-Bin Harder	9	9
Timothy David Hanna	8	8
Henk Wessel La Dru	8	8
Jan Maggacis	2	2
Alenta Kabamba	6	5
Mark Passfield	1	1
Robert Harder (resigned)	1	1
Trevor Adams (resigned)	1	-

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the entity. At 30 June 2021, the total amount that members of the entity are liable to contribute if the entity is wound up is $6 (2020: $7).

Winding up - Guarantee by Members
(a) Each member undertakes to contribute to the Company's property if the Company is wound up while they are a Member, or within 1 year after they cease to be a Member.
(b) This contribution is for:
(i) payment of the Company's debts and liabilities contracted before they ceased to be a Member;
(ii) the costs of winding up; and
(iii) adjustment of the rights of the contributories among themselves.
(c) The amount is not to exceed $1.

Auditor’s Independence Declaration

The lead auditor’s independence declaration for the year ended 30 June 2021 has been received and can be found on page 5 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Chair Person ____________________

Dated this 28th day of October 2021

JOII LIMITED
ABN: 55 621 826 051
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF JOII LIMITED

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of JOII Limited. As the lead audit partner for the audit of the financial report of JOII Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

(i) the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Name of Firm	Accountants Advisers Auditors Pty Ltd
Name of Partner	Robert John White
Date	25/10/2021
Address	3/9 Gowrie Street
	Mt Gravatt Qld 4122

JOII LIMITED
ABN: 55 621 826 051
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue	2	46,611,600	45,430,509
Other income	2	6,256,040	2,865,066
Employee benefits expense		(25,521,828)	-
Depreciation and amortisation expense	3	-	-
interest expense on financial liabilities not at fair value through profit or loss	3	-	(258,116)
Interest expense on lease liabilities	3	-	-
Impairment losses on financial assets	3	(2,446,861)	(4,899,347)
Rental expense	3	-	-
Cost of sales		(9,997,592)	(32,199,168)
Charitable works expenses		(48,008)	(154,568)
Administrative expenses		(12,930,939)	(10,087,165)
Land sale expenses		-	-
Prior year adjustments		(58,259)	-
Current year surplus before income tax		1,864,153	697,211
Income tax expense			
Net current year surplus		1,864,153	697,211
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land	9	-	-
Fair value gains/(losses) on financial assets at fair value through other comprehensive income			
Total other comprehensive (losses)/income for the year		-	-
Total comprehensive income for the year		1,864,153	697,211
Surplus attributable to members of the entity		1,864,153	697,211
Total comprehensive income attributable to members of the entity		1,864,153	697,211

The accompanying notes form part of these financial statements.

JOII LIMITED
ABN: 55 621 826 051
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 $	2020 Restated $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,707,944	808,648
Trade and other receivables	5	4,868,932	4,202,879
Inventories	6	1,169,191	2,307,005
Financial assets	8	-	-
Other current assets	7	1,393,509	1,585,485
Loan Receivables		648,863	830,723
TOTAL CURRENT ASSETS		9,788,439	9,734,740
NON-CURRENT ASSETS			
Financial assets	8	2,638,631	2,369,492
Property, plant and equipment	9	973,386	1,695,757
Intangible assets	10	91,757	112,138
Right-of-use assets		-	-
Bartercard		-	1,113,766
TOTAL NON-CURRENT ASSETS		3,703,774	5,291,153
TOTAL ASSETS		13,492,213	15,025,894
LIABILITIES			
CURRENT LIABILITIES			
TOTAL CURRENT LIABILITIES		4,010,269	4,879,806
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		2,827,379	5,355,675
TOTAL LIABILITIES		6,837,648	10,235,482
NET ASSETS		6,654,565	4,790,412
EQUITY			
Retained surplus		6,654,565	4,790,412
Reserves		-	-
TOTAL EQUITY		6,654,565	4,790,412

The accompanying notes form part of these financial statements.

JOII LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Surplus	Revaluation Surplus	Financial Assets Reserve	Total
		$	$	$	$
Balance at 1 July 2019		4,093,201			4,093,201
Comprehensive Income					
Surplus for the year attributable to owners of the entity		697,211			697,211
Other comprehensive income for the year					
Total other comprehensive income		-	-	-	-
Transfer – gains/(losses) on disposal of equity instruments at fair value through other comprehensive income to retained surplus					-
Total comprehensive income attributable to owners of the entity		697,211	-	-	697,211
Balance at 30 June 2020		4,790,412	-	-	4,790,412
Balance at 1 July 2020		4,790,412	-	-	4,790,412
Comprehensive Income					
Surplus for the year attributable to owners of the entity		1,864,153			1,864,153
Other comprehensive income for the year					
Total other comprehensive income		-	-	-	-
Transfer – gains/(losses) on disposal of equity instruments at fair value through other comprehensive income to retained surplus					-
Total comprehensive income for the year		1,864,153	-	-	1,864,153
Transfer on sale of asset					-
Total transactions with owners and other transfers		-	-	-	-
Balance at 30 June 2021		6,654,565	-	-	6,654,565

The accompanying notes form part of these financial statements.

JOII LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(35,754,740)	(41,050,321)
Short-term and low-value lease payments		-	-
Interest received		15,579	129,187
Interest paid		(80,116)	(332,193)
Receipts of grants, donations and other activities		39,458,854	41,594,348
Net cash generated from operating activities		3,639,576	341,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal (acquisition) of investments		-	1,858,623
Disposal (acquisition) of Motor Vehicles		190,404	147,203
Disposal (acquisition) of property, plant and equipment		112,384	(506,524)
Disposal (acquisition) of intangible Assets		36,960	(152,415)
Net cash used in investing activities		339,749	1,346,886
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (repayments to) borrowings		(2,884,636)	(1,621,737)
Proceeds from (repayments to) motor vehicle loans		(195,394)	(146,769)
Net cash used in financing activities		(3,080,030)	(1,768,506)
Net increase in cash held		899,295	(80,599)
Cash on hand at beginning of the financial year		808,649	889,247
Cash on hand at end of the financial year	4	1,707,944	808,648

The accompanying notes form part of these financial statements.

JOII LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

JOII Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 25 October 2021 by the directors of the company.

Accounting Policies

(a) Revenue

Revenue recognition

Contributed assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Entity recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating grants, donations and bequests

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

When both these conditions are satisfied, the Entity:

— 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 Entity:

— recognises the asset received in accordance with the recognition requirements of other applicable accounting standards
— recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or
— recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the

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

Capital grant

When the Entity 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 Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

Interest income

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Interest income is recognised using the effective interest method.

Dividend income

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

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

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and plant and equipment but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	0-5%
Plant and equipment	0-100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

— fixed lease payments less any lease incentives;
— variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement
— the amount expected to be payable by the lessee under residual value guarantees;
— the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
— lease payments under extension options if lessee is reasonably certain to exercise the options; and
— payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-823 and measures the right of use assets at cost on initial recognition.

The Entity as lessor

The Entity leases some rooms in their building to external parties .

Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

— amortised cost; or
— fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

— a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
— held for trading; or
— initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

— incurred for the purpose of repurchasing or repaying in the near term;
— part of a portfolio where there is an actual pattern of short-term profit-taking; or
— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

— amortised cost;
— fair value through other comprehensive income; or
— fair value through profit or loss.

Measurement is on the basis of two primary criteria:

— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

— the financial asset is managed solely to collect contractual cash flows; and
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
— the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

— it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The entity recognised a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The entity recognised a loss allowance for expected credit losses on:
— the general approach;
— the simplified approach;
— the purchased or originated credit-impaired approach; and
— low credit risk operational simplification.

General approach
Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:
— if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
— if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
— trade receivables; and
— lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach
For financial assets that are considered to be credit-impaired (not on acquisition or originations), the entity measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:
— significant financial difficulty of the issuer or borrower;
— a breach of contract (e.g. default or past due event);
— a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
— the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
— the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
— there is a low risk of default by the borrower;
— the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
— adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

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Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(h) 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 short-term borrowings in current liabilities on the statement of financial position.

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(i) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) 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 (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(l) Intangible Assets

Software

Software is initially recognised at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between [insert number] and [insert number] years. It is assessed annually for impairment.

(m) Provisions

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(n) Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) Valuation of freehold land and buildings

The freehold land and buildings were independently valued at 30 June 2020 by [insert company]. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of $[insert amount] being recognised for the year ended 30 June 2020.

At 30 June 2021 the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2020 and do not believe there has been a significant change in the assumptions at 30 June 2021. They directors therefore believe the carrying amount of the land correctly reflects the fair value less costs to sell at 30 June 2021.

(ii) Useful lives of property, plant and equipment

As described in Note 1, the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Performance obligations under AASB 15

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To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(iii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(p) Economic Dependence

The Entity is dependent on the [insert details] for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the [insert details] will not continue to support the Entity.

(q) Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(r) New and Amended Accounting Standards Adopted by the Entity

Concessions

AASB 2020-4: *Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions* amends AASB 16: *Leases* by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business* amends and narrows the definition of a business specified in AASB 3 Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

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The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 2 Revenue and Other Income

	2021 $	2020 $
Revenue		
Revenue from delivery of services		
— State/federal government grants – operating	50,000	-
— Other government grants	-	-
— Other organisations	-	-
— Other revenue	-	-
— Service revenue	27,273,705	24,111,112
— Construction revenue	19,207,228	21,190,209
— Donations received	65,087	-
— Cleaning revenue	-	-
— Land sales	-	-
Total revenue	46,596,021	45,301,321
Other revenue		
— Dividends received	-	-
— Interest received on investments in government and fixed interest securities	15,579	129,187
	15,579	129,187
Total revenue	46,611,600	45,430,509
Other income		
— Gain on disposal of property, plant and equipment	25,327	(60,729)
— Other	-	-
— Other Income	361,933	525,795
— Jobkeeper subsidy	5,840,050	2,400,000
Total other income	6,256,040	2,865,066
Total revenue and other income	52,867,640	48,295,575

Transaction price allocated to the remaining performance obligation

The table below shows the grant revenue expected to be recognised in the future related to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (partially unsatisfied) at the reporting date.

	2020 $	**2021 $**	**Total $**
Revenue from government grants and other grants			-

Note 3 Surplus for the Year

	2021 $	2020 $
a. Expenses		
Finance costs:		
— interest expense on financial liabilities not at fair value through profit or loss	-	258,116
— interest expense on lease liabilities	-	-
Total interest expense	-	258,116
Impairment losses on financial assets	2,446,861	4,899,347
Employee benefits expense:		
— contributions to defined contribution superannuation funds	2,272,560	-
— Wages & Salaries	23,249,268	-
Total employee benefits expense	25,521,828	-
Rental expense on operating leases:		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

— short-term lease expense	-	-
— low-value asset lease expense	-	-
Total rental expense	-	-
Audit fees:		
— audit services	21,477	19,500
— taxation services	21,469	11,500
Total audit remuneration	42,946	31,000
Depreciation and amortisation:		
— motor vehicles	-	-
— furniture and equipment	-	-
— software	-	-
Total depreciation and amortisation	-	-

Note 4 Cash and Cash Equivalents

	2021 $	2020 $
CURRENT		
Cash at bank	1,707,839	806,983
Cash on hand	105	1,665
	1,707,944	808,648
	1,707,944	808,648

Note 5 Trade and Other Receivables

	Note	2021 $	2020 $
CURRENT			
Trade receivables		4,868,932	4,202,879
Other receivables		-	-
Provision for impairment	5a(i)	-	-
Total current accounts receivable and other debtors		4,868,932	4,202,879

The entity’s normal credit term is 30 days.

Note 6 Inventories

	2021 $	2020 $
CURRENT		
At cost:		
Inventory	1,169,191	2,307,005
	1,169,191	2,307,005
At current replacement cost:		
Donated inventory	-	-
	-	-
	1,169,191	2,307,005

Note 7 Other Assets

	2021 $	2020 $
Accrued Income	-	1,427,497
Prepayments	1,372,225	121,204
Other assets	21,284	29,864
Rental Bond	-	6,920
	1,393,509	1,585,485

Note 8 Financial Assets

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	Note	2021 $	2020 $
CURRENT			
Financial assets mandatorily measured at fair value through profit or loss		-	-
Total current assets		-	-
NON-CURRENT			
Real Estate Assets		2,638,631	2,369,492
Financial assets at amortised cost		-	-
Total non-current assets		2,638,631	2,369,492

	2021 $	2020 $
a. **Financial assets mandatorily measured at fair value through profit or loss**		
Held-for-trading Australian listed shares	-	-
Shares held for trading are traded for the purpose of short-term profit taking.		
b. **Investments in equity instruments designated as at fair value through other comprehensive income**		
Listed investments:		
Unlisted investments at fair value	2,638,631	2,369,492

Note 9 Property, Plant and Equipment

	2021 $	2020 $
LAND AND BUILDINGS		
Buildings at fair value:		
— Directors valuation in 2021	-	
— Independent valuation in 2020		427,517
Less accumulated depreciation	-	-
Total buildings	-	427,517
Total land and buildings	-	427,517
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	-	-
Less accumulated depreciation	-	-
Less accumulated impairment losses	-	-
Plant and equipment	287,131	598,135
(Accumulated depreciation P&E)	-	(206,555)
Motor vehicles	686,255	1,304,811
(Accumulated depreciation MV)	-	(428,151)
	973,386	1,268,240
Total plant and equipment	973,386	1,268,240
Total property, plant and equipment	973,386	1,695,757

Note 10 Intangible Assets

	2021 $	2020 $
Computer software - at cost	62,350	62,350
Accumulated amortisation	(42,143)	(21,762)
Accumulated impairment	-	-

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Trademark	71,550	71,550
Net carrying amount	91,757	112,138

Movements in Carrying Amount	Intangible Assets
2020	
Balance at the beginning of the year	62,350
Additions	71,550
Disposals	
Amortisation charge	(21,762)
Impairment losses	
	112,138
2021	
Balance at the beginning of the year	112,138
Additions	
Disposals	
Amortisation charge	(20,381)
Impairment losses	
	91,757

Note 11 Trade and Other Payables

	Note	2021 $	2020 $
CURRENT			
Trade payables		1,233,671	1,070,908
Deferred income		-	-
Other current payables		-	175,454
GST payable		958,121	-
Accrued expenses		-	785,464
BAS Payable		-	706,774
	11a	2,191,792	2,738,601
NON-CURRENT			
Trade payables		995,053	2,200,757
Deferred income		-	-
Other non-current payables		857,809	1,739,562
Other payables (net amount of GST payable)		-	463,656
BAS Payable		-	-
		1,852,862	4,403,975

	2021 $	2020 $
a Financial liabilities at amortised cost classified as accounts payable and other payables		
Accounts payable and other payables:		
— Total current	2,191,792	2,738,601
— Total non-current	1,852,862	4,403,975
	4,044,655	7,142,575

Additions:		
Grants for which performance obligations will only be satisfied in subsequent years.		
Closing balance at the end of the year	-	-
	-	-

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

Note 12 Provisions

	2021	2020

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CURRENT	$	$
Provision for employee benefits: annual leave	10,652	-
Provision for employee benefits: long service leave	-	-
PAYG	2,094	521,061
Superannuation	224,349	137,536
Current employee entitlements	1,581,383	1,482,608
	1,818,477	2,141,205
NON-CURRENT		
Provision for employee benefits: long service leave	-	-
Non-Current employee entitlements	974,517	951,701
	974,517	951,701
	2,792,994	3,092,906

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 July 2020	3,092,906	3,092,906
Additional provisions raised during the year		-
Amounts used		-
Balance at 30 June 2021	3,092,906	3,092,906

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

	2021 $	2020 $
a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	1,864,153	697,211
Adjustment for:		
Depreciation and amortisation expense	-	-
Movement in reserves		
Dividend received		
Interest received		
Fair value gain on investments in held-for-trading shares		
Gain on disposal of property, plant and equipment	25,327	(60,729)
Doubtful debts expense	2,446,861	4,899,347
Loss on sale of investments		
Fair value losses on financial assets at fair value through other comprehensive income		
Gains on contributed assets received	-	-
Movement in working capital changes:		
(Increase)/decrease in accounts receivable and other debtors	666,053	
Increase/(decrease) in accounts payable and other payables		
(Increase)/decrease in other current assets		
Increase/(decrease) in employee provisions		
(Increase)/decrease in inventories on hand	(1,137,814)	
	3,864,579	5,535,829

JOII LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 13 Entity Details

The registered office of the entity is:

JOII Limited
35-39 Scarborough Street
Southport
QLD 4215

The principal place of business is:

JOII Limited
U 5 8-12 Nevilles Street
Underwood
QLD 4119

Note 14 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $20 towards meeting any outstanding obligations of the entity. At 30 June 2021 the number of members was 5.

Joii Limited
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ACN 621 826 051
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30-Jun-21

STATEMENT BY THE BOARD

as per section 60.15 of the Australian Charities and Not-for-profits Commision Regulation it is the opinion of the Board of Joii Limited:

(a) 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

(b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

This statement is made in accordance with the resolution of the Board of Directors and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013 for and on behalf of the Board by:

Chair Person ______________________

Dated: 28 October 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

JOII LIMITED

ACN 621 826 051 ABN 55 621 826 051

REPORT on the Audit of the Financial Report

Opinion

We have audited the financial report of Joii Limited (the company limited by guarantee), which comprises the Statement of Financial Position (Balance Sheet), Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements, and the certification by members of the board on the annual statements giving a true and fair view of the financial position and performance of the company limited by guarantee.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the company limited by guarantee as at 30 June 2021 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Australian Charities and Not for Profits Commission Act 2012.

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 limited by guarantee 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 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

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 to satisfy the requirements of the company's constitution, meet the needs of members and its obligations as a company limited by guarantee under the Corporations law . As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our Opinion thereon, but we do not provide a separate opinion on these matters, For each matter below, our description of how our audit addressed the matter is provided in that context.

Liquidity risk and going concern of preparation of the financial statements

During the second half of the financial year, the company was impacted by COVID-19 and there remains uncertainty around the impact that this event will have on the company and its community activities.

As described in Note 1, the financial statements have been prepared by the company on a going concern basis.

Responsibilities of the board for the Financial Report

The board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the constitution Australian Charities and Not for Profits Commission Act 2012 and for such internal control as the board 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, the board is responsible for assessing the company limited by guarantee's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board either intends to liquidate the company limited by guarantee or to cease operations, or has 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 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 based on this financial report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

As part of an audit in accordance with 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 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 limited by guarantee's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.

- Conclude on the appropriateness of the board's 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 limited by guarantee'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 limited by guarantee to cease to continue as a going concern.

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

We communicate with the board 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.

Name of firm: Accountants Advisers Auditors Pty Ltd
Public Accountants & Auditors

Auditor's name and signature: Robert White
Registered Company Auditor (# 5902)
Registered SMSF Auditor (# 100211005)
Tax Practitioner

Dated: 25 October 2021

ACCOUNTANTS ADVISERS AUDITORS
AAA service with care