JOII LIMITED

ABN: 55 621 826 051

Financial Report For The Year Ended 30 June 2019

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Financial Report For The Year Ended 30 June 2019

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JOII LIMITED
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DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2019.

Directors

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

Robert John Harder appointed (21/09/2017)
Ross Keegan Macaulay resigned (11/03/2019)
Jared Sa-Bin Harder appointed (17/07/2018)
Peter James Giess appointed (11/03/2019) resigned (13/09/2019)
Trevor Hugh Adams appointed (13/09/2019)

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: labour-hire, roofing and other construction related activities.

Objectives and Strategies

The Company's charitable purpose is to relieve poverty and distress of persons experiencing housing related poverty or crisis, such as people with low or no income or people with specific housing needs.

The principal activities of the labour-hire and roofing businesses will help fund the operation of social enterprise projects that provide employment, apprenticeships and housing, and will financially assist the Company to continue charitable work.

New Accounting Standards Implemented

The entity has implemented AASB 9: Financial Instruments using the retrospective method, with comparative amounts restated where appropriate.

Key Performance Measures

Management, monitoring and performance measurement of the objectives of the Company occur through detailed operational plans and budgetary processes that are directly linked to the entire corporate strategy of the Company. Actual performance is monitored on a monthly basis as a direct comparison to the budgeted operational plan.

Meetings of Directors

During the financial year, 1 meeting(s) of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert John Harder	1	1
Ross Keegan Macaulay	1	1
Jared Sa-Bin Harder	1	1
Peter James Giess	1	1
Trevor Hugh Adams	N/A	N/A

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 2019, the total amount that members of the entity are liable to contribute if the entity is wound up is $7 (2018: $7).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 4 of the financial report.

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

Director ....

Robert John Harder

Dated this 18th day of December 2019

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 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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 Advanced Accountants RTM Pty Ltd

Name of Partner Robert White

Date 18/12/2019

Address 19 Abney Street

Moorooka

QLD 4105

JOII LIMITED
ABN: 55 621 826 051
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue	2	50,562,912	11,346,538
Other income	2	262,453	1,662
Interest expense	3	(247,721)	(28,517)
Cost of sales		(41,903,889)	(8,576,908)
Charitable works expenses		(139,289)	(124,661)
Administrative expenses		(3,079,488)	(467,522)
Land sale expenses		(2,574,338)	-
Share of net profits of equity-accounted investees net of tax		-	(1,053,595)
Current year surplus before income tax		2,880,641	1,096,997
Income tax expense			
Net current year surplus		2,880,641	1,096,997
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, net of tax			
Total other comprehensive (losses)/income for the year		-	-
Total comprehensive income for the year		2,880,641	1,096,997
Surplus attributable to members of the entity		2,880,641	1,096,997
Total comprehensive income attributable to members of the entity		2,880,641	1,096,997

The accompanying notes form part of these financial statements.

JOII LIMITED
ABN: 55 621 826 051
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	889,247	335,516
Trade and other receivables		1,386,246	350,010
Inventories	6	849,151	3,007,425
Other current assets	7	2,401,201	493,789
Loan Receivables	5	266,892	2,317,169
TOTAL CURRENT ASSETS		5,792,737	6,503,909
NON-CURRENT ASSETS			
Investments	8	5,158,930	156,415
Property, plant and equipment	9	1,585,644	211,143
Intangible assets	10	59,827	-
Loan Receivables	5	2,344,862	416,694
TOTAL NON-CURRENT ASSETS		9,149,263	784,252
TOTAL ASSETS		14,942,000	7,288,161
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	5,821,207	2,260,459
Borrowings	12	1,292,042	2,326,590
Employee provisions	13	2,776,489	1,402,365
TOTAL CURRENT LIABILITIES		9,889,738	5,989,414
NON-CURRENT LIABILITIES			
Trade and other payables	11	-	-
Borrowings	12	1,074,624	191,876
Employee provisions	13	-	9,874
TOTAL NON-CURRENT LIABILITIES		1,074,624	201,750
TOTAL LIABILITIES		10,964,362	6,191,164
NET ASSETS		3,977,638	1,096,997
EQUITY			
Retained surplus		3,977,638	1,096,997
Reserves		-	-
TOTAL EQUITY		3,977,638	1,096,997

The accompanying notes form part of these financial statements.

JOII LIMITED
ABN: 55 621 826 051
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained Surplus	Revaluation Surplus	Financial Assets Reserve	Total
		$	$	$	$
Balance at 1 July 2017					-
Retrospective adjustment upon change in accounting policy - AASB 9					-
Balance at 1 July 2017 (restated)		-	-	-	-
Comprehensive Income					
Surplus for the year attributable to owners of the entity		1,096,997			1,096,997
Other comprehensive income for the year					
Total other comprehensive income		-	-	-	-
Total comprehensive income attributable to owners of the entity		1,096,997	-	-	1,096,997
Balance at 30 June 2018		1,096,997	-	-	1,096,997
Balance at 1 July 2018		1,096,997	-	-	1,096,997
Comprehensive Income					
Surplus for the year attributable to owners of the entity		2,880,641			2,880,641
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		2,880,641	-	-	2,880,641
Transactions with owners, in their capacity as owners, and other transfers					-
transfers		-	-	-	-
Balance at 30 June 2019		3,977,638	-	-	3,977,638

The accompanying notes form part of these financial statements.

JOII LIMITED
ABN: 55 621 826 051
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(40,613,733)	(9,613,692)
Interest received		13,506	2,858
Interest paid		(247,721)	(28,517)
Receipts of grants, donations and other activities		49,827,153	11,635,911
Net cash generated from operating activities		8,979,205	1,996,560
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans advanced		-	(2,733,863)
Acquisition of investments		(5,002,515)	(1,210,010)
Payment for property, plant and equipment		(1,432,776)	(235,637)
Payment for intangible assets		(1,550)	-
Net cash used in investing activities		(6,436,841)	(4,179,510)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in finance lease commitments		-	-
Proceeds from borrowings		(1,988,633)	2,518,466
Net cash used in financing activities		(1,988,633)	2,518,466
Net increase in cash held		553,731	335,516
Cash on hand at beginning of the financial year		335,516	-
Cash on hand at end of the financial year	4	889,247	335,516

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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.

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 18 December 2019 by the directors of the company.

Accounting Policies

(a) Revenue

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

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

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

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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 capitalised lease assets 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	Useful Life
Plant and equipment	10 years
Motor vehicles	4 years

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

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(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.

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;
- 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.

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.

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.

(i) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business.

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 1 and 10 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) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) 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

At 30 June 2019, the directors have performed a directors' valuation on the freehold land and buildings.The directors believe the carrying amount of the land correctly reflects the fair value less costs of disposal at 30 June 2019.

Key judgements

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) 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 services. 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.

(q) Economic Dependence

JOII Limited is not dependent on any government agency to operate the business.

(r) 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.

(s) New and Amended Accounting Standards Adopted by the Company

Initial application of AASB 9: Financial Instruments

The entity has adopted AASB 9: Financial Instruments with a date of initial application of 1 July 2018. As a result, the entity has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have been affected for the current and prior periods. The following tables summarise the adjustments made to the affected financial statement line items.

AASB 9 requires retrospective application with some exemptions and exceptions (e.g. when applying the effective interest method, impairment measurement requirements, and hedge accounting in terms of the Standard).

There were no financial assets/liabilities which the entity had previously designated as at fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which the entity has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

The entity applied AASB 9: Financial Instruments (as revised in July 2014) and the related consequential amendments to other Standards. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The entity has applied AASB 9 to instruments that have not been derecognised as at 1 July 2018and has not applied AASB 9 to instruments that have already been derecognised as at 1 July 2018. Comparative amounts in relation to instruments that have not been derecognised as at 1 July 2018have been restated where appropriate.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the company's business model and the cash flow characteristics of the financial assets:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

Despite the issues mentioned, the entity may make the following irrevocable elections at initial recognition of a financial asset:

- The entity may choose to present in other comprehensive income subsequent changes in the fair value of an equity investment that is not held for trading and is not a contingent consideration in a business combination.
- The entity may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

The directors of the entity determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present, and determined that the initial application of AASB 9 had the following effect:

- The company's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through other comprehensive income. The movement in fair value on these equity instruments is accumulated in the financial assets reserve.
- Financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9, as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss under AASB 139 are still measured as such under AASB 9.

This note contains a table that shows the effect in classification of the financial assets upon initial application.

Impairment

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the entity to account for expected credit loss since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to 12-month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

A simple approach is followed in relation to trade receivables, as the loss allowance is measured at lifetime expected credit loss.

The entity reviewed and assessed the existing financial assets on 1 July 2018. The assessment was made to test the impairment of these financial assets using reasonable and supportable information that is available to determine the credit risk of the respective items at the date they were initially recognised, and to compare that to the credit risk as at 1 July 2017 and 1 July 2018. The assessment was performed without undue cost or effort, in accordance with AASB 9.

The reconciliation of the provision for impairment in accordance with AASB 139 and AASB 137: Provisions, Contingent Liabilities and Contingent Assets to the opening loss allowances determined in accordance with AASB 9 for the abovementioned are disclosed in their respective notes.

Classification and measurement of financial liabilities

AASB 9 determines that the measurement of financial liabilities and also the classification relate to changes in the fair value designated as at fair value through profit or loss attributable to changes in the credit risk.

AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income. Unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to the financial liability's credit risk are transferred to retained earnings when the financial liability is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at fair value through profit or loss to be presented in profit or loss.

Apart from the above, the application of AASB 9 has had no impact on the classification and measurement of JOII Limited's financial liabilities.

Note 2 Revenue and Other Income

	2019 $	2018 $
Revenue		
— Service revenue	40,109,299	8,635,246
— Construction revenue	7,647,870	2,340,985
— Donations and grants	33,141	299,909
— Cleaning revenue	144,894	67,540
— Land sales	2,614,202	-
	50,549,406	11,343,680
Other revenue		
— Dividends received	-	-
— Interest income	13,506	2,858
	13,506	2,858
Total revenue	50,562,912	11,346,538
Other income		
— Gain on disposal of property, plant and equipment	91,458	-
— Other Income	35,739	1,662
— Settlement of litigation	117,589	-
— Workcover recoveries	17,667	-
Total other income	262,453	1,662
Total revenue and other income	50,825,365	11,348,200

JOII LIMITED
ABN: 55 621 826 051
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3 Surplus for the year

	2019 $	2018 $
a. Expenses		
Employee benefits expense:		
— Employee costs	1,324,817	262,207
Total employee benefits expense	1,324,817	262,207
Depreciation and amortisation:		
— land and buildings	-	-
— motor vehicles	172,604	19,235
— plant and equipment	72,917	5,259
— software	2,848	-
Total depreciation and amortisation	248,369	24,494
Finance costs:		
— interest expense	247,721	28,517
Rental expense on operating leases:		
— minimum lease payments	55,535	20,822
Total rental expense	55,535	20,822
Audit fees:		
— audit services	15,255	15,375
— other services	9,500	16,288
Total audit remuneration	24,755	31,663

Note 4 Cash and Cash Equivalents

	2019 $	2018 $
CURRENT		
Cash at bank	888,982	335,516
Cash on hand	265	-
Total Cash and cash equivalents	889,247	335,516
Cash and cash equivalents in the statements of cash flows	889,247	335,516

Note 5 Loan Receivables

	Note	2019 $	2018 $
CURRENT			
Love Your World		55,324	935
JRandL Pty Ltd		-	2,316,234
Nxt Legal and Compliance Pty Ltd		1,094	
Joii Community Limited		30,584	
Joii Waterproofing Pty Ltd		56,068	
52 John Cres		140	
Air Glider Pty Ltd		2,200	
Svrge Pty Ltd		3,975	
Easidai Pty Ltd		2,200	
Financial Asset Management Pty Ltd		2,200	
Sales NOW Pty Ltd		2,215	
Next Steps Global Pty Ltd		3,274	
Australian Institute of Housing Pty Ltd		774	
The Promise QLD Pty Ltd		16	
Joii Money Ltd		10,941	
Joii Credit & Finance Pty Ltd		995	
Tim Tomlin		2,521	
Joii ACLA Pty Ltd		681	-
Joii Credit Licence Management Pty Ltd		681	-
Joii Securities Pty Ltd		681	-
Joii ACLP Pty Ltd		88,130	-
		-	-
Total Current		264,692	2,317,169
NON-CURRENT			
Shared equity loans		2,344,862	416,694
Columbus Capital Pty Ltd		91,335	-
Total non-current		2,436,198	416,694
Total loan receivables		2,700,890	2,733,863

(a) Shared equity loans

Shared equity loans are provided to third party purchases of residential property. Shared equity loans are to be repaid upon termination of the contract, sale of the property, or repayment or refinancing of the associated mortgage in full. The company does not charge any interest or fee on shared equity loans.

Note 6 Inventories

	2019 $	2018 $
CURRENT		
Inventory		
Development land	848,192	3,002,810
Finished goods	959	4,615
	849,151	3,007,425

Note 7 Other Assets

	2019 $	2018 $
Accrued Income	1,141,218	484,879
Prepayments	194,526	-
Other assets	27,185	3,910
Rental Bond	6,920	5,000
Bartercard	1,031,352	-
	2,401,201	493,789

Note 8 Financial Assets

	Note	2019 $	2018 $
NON-CURRENT			
Shares in associates		1,858,623	156,415
Unlisted managed funds		3,300,307	
Total non-current assets		5,158,930	156,415

Note 9 Property, Plant and Equipment

	2019 $	2018 $
LAND AND BUILDINGS		
Freehold land at fair value:		
— Directors valuation in 2019	221,918	
Total land	221,918	-
Buildings at fair value:		
— Directors valuation in 2019	-	
— Independent valuation in 2018		-
Less accumulated depreciation	-	-
Total buildings	-	-
Total land and buildings	221,918	-
PLANT AND EQUIPMENT		
Plant and equipment	418,039	32,837
(Accumulated depreciation P&E)	(78,176)	(5,259)
Motor vehicles	1,208,285	202,800
(Accumulated depreciation MV)	(184,422)	(19,235)
Total plant and equipment	1,363,726	211,143
Total property, plant and equipment	1,585,644	211,143

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings $	Motor Vehicles $	Plant and Equipment $	Total $
2018				
Balance at the beginning of the year				-
Additions at cost		202,800	32,837	235,637
Additions at fair value				-
Disposals				-
Revaluations				-
Depreciation expense		(19,235)	(5,259)	(24,494)
Impairment losses				-
Reversals of impairment losses				-
Carrying amount at the end of the year	-	183,565	27,578	211,143
2019				
Balance at the beginning of the year	-	183,565	27,578	211,143
Additions at cost	221,918	1,086,804	385,201	1,693,923
Additions at fair value				-
Disposals		(73,903)		(73,903)
Revaluations				-
Depreciation expense		(172,604)	(72,916)	(245,520)
Impairment losses				-
Reversals of impairment losses				-
Carrying amount at the end of the year	221,918	1,023,863	339,863	1,585,644

Asset Revaluations

At 30 June 2019, the directors have performed a directors' valuation on the freehold land and buildings.The directors believe the carrying amount of the land correctly reflects the fair value less costs of disposal at 30 June 2019.

Note 10 Intangible Assets

	2019 $	2018 $
Computer software - at cost	61,125	-
Accumulated amortisation	(2,848)	-
Accumulated impairment	-	-
Trademark	1,550	-
Net carrying amount	59,827	-

Movements in Carrying Amount

	Computer software $
2018	
Balance at the beginning of the year	-
Additions	
Disposals	
Amortisation charge	
Impairment losses	
	-
2019	
Balance at the beginning of the year	-
Additions	61,125
Disposals	
Amortisation charge	(2,848)
Impairment losses	
	58,277

Note 11 Trade and Other Payables

	Note	2019 $	2018 $
CURRENT			
Trade payables		1,031,101	1,058,104
Accrued expenses		656,681	422,588
BAS Payable		4,133,425	779,767
	11a	5,821,207	2,260,459

	2019 $	2018 $
a **Financial liabilities at amortised cost classified as accounts payable and other payables**		
Accounts payable and other payables:		
— Total current	5,821,207	2,260,459
— Total non-current	-	-
	5,821,207	2,260,459
Less deferred income		
Less other payables (net amount of GST payable)	(4,133,425)	(779,767)
Financial liabilities as trade and other payables	1,687,782	1,480,692

Note 12 Borrowings

	Note	2019 $	2018 $
CURRENT			
Lease liabilities	14	-	27,935
Loans and borrowings		1,292,042	2,298,655
		1,292,042	2,326,590
NON-CURRENT			
Lease liabilities	14	-	-
Loans and borrowings		1,074,624	191,876
		1,074,624	191,876
TOTAL LEASE LIABILITIES		2,366,666	2,518,466

Lease liabilities are secured by the underlying leased assets.

Note 13 Provisions

	2019 $	2018 $
CURRENT		
PAYG	1,293,029	1,036,359
Superannuation	154,602	112,082
Other entitlements	1,328,858	253,924
	2,776,489	1,402,365
NON-CURRENT		
Other entitlements	-	9,874
	2,776,489	1,412,239

Note 14 Capital and Leasing Commitments

(a) Operating Lease Commitments	2019	2018
Payable – minimum lease payments:	$	$
— not later than 12 months	55,535	75,289

Note 15 Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities

Note 16 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 17 Key Management Personnel Compensation

Key Management Personnel

The totals of remuneration paid to KMP of the entity during the year are as follows:

	2019 $	2018 $
KMP compensation:		
— Short term benefits	426,000	43,201
	426,000	43,201

Note 18 Other Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

in AUD

Name of the related party	Relationship	Nature of transactions	Transaction values for the year ended June 2019	Balance outstanding for the year ended 30 June 2019
Svrge Pty Ltd	Equity accounted investee	Revenue	479,885	
Financial Asset Management Pty Ltd	Equity accounted investee	Revenue	495,514	
Air Glider Pty Ltd	Equity accounted investee	Revenue	1,579,401	
Sales NOW Pty Ltd	Equity accounted investee	Revenue	462,954	
Build Today Pty Ltd	Equity accounted investee	Revenue	2,400,634	72,134
Easidai Pty Ltd	Equity accounted investee	Revenue	1,547,774	
GrowMe (Aus) Pty Ltd	Equity accounted investee	Revenue	1,505,023	
Harder Property Trust	Party related to members	Revenue	131,170	131,170
Privium Group Aus Pty Ltd	Party related to members	Revenue	5,698,802	707,359
Privium Admin Services Pty Ltd	Party related to members	Revenue	26,735,507	147,594
Privium Construction Pty Ltd (formerly Prochip)	Party related to members	Revenue	2,040,371	67,702
Privium Homes Pty Ltd	Party related to members	Revenue	110,356	356

Note 19 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 8 8-12 Nevilles Street
Underwood
QLD 4119

Note 20 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 $1 towards meeting any outstanding obligations of the entity. At 30 June 2019 the number of members was 7.

JOII LIMITED
ABN: 55 621 826 051
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of JOII Limited, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 25, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2019 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director ....

Robert John Harder

Dated this 18th day of December 2019

JOII LIMITED
ABN: 55 621 826 051
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JOII LIMITED

Opinion

We have audited the financial report of JOII Limited (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other 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 accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

i. giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 registered entity in accordance with the auditor independence requirements of the ACNC Act, 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2019, 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 registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity'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 registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

— Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

JOII LIMITED
ABN: 55 621 826 051
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JOII LIMITED

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

— Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If 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 registered entity to cease to continue as a going concern.

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

We communicate with the directors 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.

Auditor's name and signature: Robert White

Address: 19 Abney Street
Moorooka
QLD 4105

Dated this 18th day of December 2019