JOII LIMITED
AND CONTROLLED ENTITIES

ABN: 55 621 826 051

Financial Report For The Year Ended
30 June 2022

JOII LIMITED
AND CONTROLLED ENTITIES

ABN: 55 621 826 051

Financial Report For The Year Ended 30 June 2022

CONTENTS

JOII LIMITED AND CONTROLLED ENTITIES
ABN: 55 621 826 051
DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2022.

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
Henk Wessel La Dru resigned (14/02/2022)
Alenta Kabamba
Mark Passfield resigned (26/11/2021)
Cathy Draeger appointed (26/09/2021)
Desley Scott appointed (26/09/2021)
Simon Lewis appointed (25/03/2022)

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

Review of Operations

The consolidated profit of the consolidated group for the financial year after providing for income tax amounted to $1,034,879.

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

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.

JOII LIMITED AND CONTROLLED ENTITIES
ABN: 55 621 826 051
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	11	10
Timothy David Hanna	11	9
Henk Wessel La Dru	8	4
Alenta Kabamba	11	11
Mark Passfield	7	7
Cathy Draeger	8	6
Desley Scott	8	8
Simon Lewis	2	2

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 2022, the total amount that members of the entity are liable to contribute if the entity is wound up is $6.

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 2022 has been received and can be found on page 3 of the financial report.

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

Chairman ______________________

Dated this 27 day of October 2022

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

In accordance with Section 307C of the Corporations Act 2001, 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 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* 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	21 October 2022
Address	2/290 Boundary Street Spring Hill Qld 4000

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated Group		Parent Entity	
		2022	2021	2022	2021
	Note	$	$	$	$
Revenue	2	29,455,737	46,640,329	29,363,121	46,640,329
Other income	2	1,321,450	6,227,310	739,365	6,227,310
Employee benefits expense		(17,572,601)	(25,521,828)	(17,490,856)	(25,521,828)
Bad Debts		(122,553)	(2,446,861)	(122,553)	(2,446,861)
Depreciation and amortisation expense		(214,116)	(319,692)	(214,116)	(319,692)
Impairment of property, plant and equipment	10	(171,750)	-	(171,750)	-
Finance costs	2(a)	(39,463)	(2,513)	(39,463)	(80,116)
Other expenses		(11,621,825)	(22,630,123)	(11,482,693)	(22,576,730)
Profit for the year		1,034,879	1,946,622	581,055	1,922,412
Total comprehensive income for the year		1,034,879	1,946,622	581,055	1,922,412
Profit attributable to:					
Owners of the parent entity		1,034,879	1,946,622	581,055	1,922,412
		1,034,879	1,946,622	581,055	1,922,412
Total comprehensive income attributable to:					
Owners of the parent entity		1,034,879	1,946,622	581,055	1,922,412
		1,034,879	1,946,622	581,055	1,922,412

The accompanying notes form part of these financial statements.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Consolidated Group 2022 $	Consolidated Group 2021 $	Parent Entity 2022 $	Parent Entity 2021 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	2,692,050	2,082,097	1,978,872	1,707,944
Trade and other receivables	6	2,007,201	4,868,932	2,007,201	4,868,932
Inventories	7	1,289,366	1,169,191	1,289,366	1,169,191
Other assets	8	1,458,364	1,382,104	1,458,364	1,372,225
TOTAL CURRENT ASSETS		7,446,981	9,502,324	6,733,803	9,118,292
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	276,459	648,863
Financial assets	9	-	-	-	-
Property, plant and equipment	10	4,847,924	5,963,128	2,797,826	3,612,017
Deferred tax assets	15	-	-	-	-
Intangible assets	11	14,875	113,041	14,875	113,041
Other assets	8	-	-	-	-
TOTAL NON-CURRENT ASSETS		4,862,799	6,076,169	3,089,160	4,373,921
TOTAL ASSETS		12,309,780	15,578,493	9,822,963	13,492,213
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	12	1,713,168	1,470,432	1,131,185	1,460,114
Borrowings	13	-	-	-	-
Other financial liabilities	14	-	-	-	-
Current tax liabilities	15	182,747	958,121	183,786	958,121
Provisions	16	795,461	1,582,034	795,461	1,582,034
TOTAL CURRENT LIABILITIES		2,691,376	4,010,587	2,110,432	4,000,269
NON-CURRENT LIABILITIES					
Lease liabilities					
Trade and other payables	12	-	-	-	-
Borrowings	13	2,384,408	4,394,273	476,911	1,852,862
Deferred tax liabilities	15	-	-	-	-
Provisions	16	-	974,517	-	974,517
TOTAL NON-CURRENT LIABILITIES		2,384,408	5,368,790	476,911	2,827,379
TOTAL LIABILITIES		5,075,784	9,379,377	2,587,343	6,827,648
NET ASSETS		7,233,996	6,199,116	7,235,620	6,664,565
EQUITY					
Reserves		-	-	-	-
Retained earnings (accumulated losses)		7,233,996	6,199,116	7,235,620	6,654,565
		-	-	-	-
TOTAL EQUITY		7,233,996	6,199,116	7,235,620	6,654,565

The accompanying notes form part of these financial statements.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Note	Retained Earnings (accumulated losses)	Reserves		Total
			Revaluation Surplus	Financial Assets Reserve	
		$	$	$	$
Consolidated Group					
Balance at 1 July 2020		4,252,494			4,252,494
Comprehensive income					
Profit for the year		1,946,622			1,946,622
Balance at 1 July 2021		6,199,116	-	-	6,199,116
Comprehensive income					
Profit for the year		1,034,880			1,034,880
Balance at 30 June 2022		7,233,996	-	-	7,233,996
Parent Entity					
Balance at 1 July 2020		4,732,153			4,732,153
Comprehensive income					
Profit for the year		1,922,412			1,922,412
Balance at 1 July 2021		6,654,565	-	-	6,654,565
Comprehensive income					
Profit for the year		581,055			581,055
Balance at 30 June 2022		7,235,620	-	-	7,235,620

The accompanying notes form part of these financial statements.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated Group		Parent Entity	
		2022	2021	2022	2021
	Note	**$**	**$**	**$**	**$**
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		35,502,000	56,150,981	33,762,428	56,151,500
Payments to suppliers and employees		(33,666,041)	(52,144,380)	(32,878,184)	(52,269,809)
Interest received/other income		93,985	15,579	1,369	198,911
Interest paid		(39,463)	(80,116)	(39,463)	(113,610)
Net cash provided by operating activities	17(a)	1,890,481	3,942,064	846,150	3,966,992
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		729,337	3,742,991	428,324	-
Proceeds from sale of investments		-	836,132	372,404	187,268
Net cash (used in)/provided by investing activities		729,337	4,579,123	800,728	(109,155)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan repayments		(2,009,865)	(7,332,422)	(1,375,950)	(2,958,542)
Net cash provided by/(used in) financing activities		(2,009,865)	(7,332,422)	(1,375,950)	(2,958,542)
Net increase/(decrease) in cash held		609,953	1,188,765	270,928	899,295
Cash and cash equivalents at beginning of financial year		2,082,097	893,332	1,707,944	808,649
Cash and cash equivalents at end of financial year	5	2,692,050	2,082,097	1,978,872	1,707,944

The accompanying notes form part of these financial statements.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

These consolidated financial statements and notes represent those of Joii Limited and Controlled Entity (the 'consolidated group' or 'group'). Joii Limited is a company limited by guarantee incorporated and domiciled in Australia.

The separate financial statements and notes of Joii Limited have been presented within this financial report as an individual parent entity ('Parent Entity').

The financial statements were authorised for issue on 27 October 2022 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial report preparation requirements of the Australian Charities and Not-for-profits Commission Act 2012. The directors have determined that the company is not a reporting entity. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements except for 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 are in Australian Dollars and have been rounded to the nearest dollar.

(a) Principles of Consolidation

The special purpose consolidated financial statements incorporate all of the assets, liabilities and results of the Parent Joii Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred at fair value;

(ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the company's ownership interests in subsidiaries that do not result in the company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the company loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the company had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9: *Financial Instruments,* when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Income Tax

No income tax is payable as the company is not for profit and registered as a charity with the Australian Charities and Not-for-profits Commission.

(c) Fair Value of Assets and Liabilities

The Group 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 Group 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 either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie 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 (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, 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.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(e) Land Held for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Borrowing costs, foreign currency movements and holding costs incurred after development is completed are expensed. Profits are brought to account on the signing of an unconditional contract of sale if significant risks and rewards and effective control over the land are passed on to the buyer at this point.

(f) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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

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 its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(g) Leases (the Group as lessee)

At inception of a contract, the Group 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 Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an 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 the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group 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 date;
— 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 the 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.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

The right-of-use assets is initially measured based on the corresponding lease liability less any incentives and initial direct costs. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable).

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 Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(h) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified '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

(i) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(j) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss and other comprehensive income of the associate is included in the consolidated financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 9: *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(k) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a Joint Venture and accounted for using the equity method. Refer to Note 1(k) for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(l) Intangible Assets Other than Goodwill

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured

Capitalised development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(m) Foreign Currency Transactions and Balances

Not applicable as all activities are based in Australia.

(n) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 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 Group'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.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits 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 government 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 as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group 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 provisions.

(o) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) 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 12 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(q) Revenue Recognition

Revenue generated by the Group is categorised as follows:

- service revenue - hire of labour
- sale of goods; and
- charitable purposes

(r) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) 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.

(t) Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(u) New and Amended Accounting Policies Adopted by the Group

No new accounting standards had a material effect on the consolidated financial statements.

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(v) New and Amended Accounting Policies Not Yet Adopted by the Group

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies

(Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

No impairment has been recognised in respect of goodwill at the end of the reporting period.

(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 Group 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 following 12-month period, obligations for annual leave entitlements are classified under AASB 119 as 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.

Note 2 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
Continued operations		$	$	$	$
Revenue from contracts with customers	2(a)				
Other sources of revenue	2(b)	29,455,737	46,640,329	29,363,121	46,640,329
Other income	2(c)	1,321,450	6,227,310	739,365	6,227,310

	Consolidated Group		Parent Entity	
(b) Other sources of revenue				
Total interest received	93,985	15,579	1,369	15,579
Other revenue	58,847	143,817	58,847	143,817
Services revenue	29,302,905	46,480,933	29,302,905	46,480,933
Total other sources revenue	29,455,737	46,640,329	29,363,121	46,640,329
(c) Other income:				
— gain on disposal of property, plant and equipment	195,551	25,327	195,551	25,327
— Jobkeeper Subsidy	-	5,840,050	-	5,840,050
— other income	1,125,899	361,933	543,814	361,933
Total other income	1,321,450	6,227,310	739,365	6,227,310

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 3 Auditor's Remuneration

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial statements	22,000	21,477	22,000	21,477
— taxation services	1,560	21,469	1,560	21,469
	23,560	42,946	23,560	42,946

Note 4 Dividends

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
No dividends are payable as the company is a not for profit entity.	-	-	-	-

Note 5 Cash and Cash Equivalents

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
CURRENT	Note	$	$	$	$
Cash at bank and on hand		2,692,050	2,082,097	1,978,872	1,707,944
Short-term bank deposits		-	-	-	-
		2,692,050	2,082,097	1,978,872	1,707,944
Reconciliation of cash and cash equivalents Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:					
Cash and cash equivalents		2,692,050	2,082,097	1,978,872	1,707,944
Bank overdrafts	13	-	-	-	-
		2,692,050	2,082,097	1,978,872	1,707,944

Note 6 Trade and Other Receivables

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
	Note	$	$	$	$
CURRENT					
Trade receivables		2,007,201	4,868,932	2,007,201	4,868,932
Provision for impairment	6(a)	-	-	-	-
		2,007,201	4,868,932	2,007,201	4,868,932
Other receivables		-	-	-	-
Total current trade and other receivables	6(b)	2,007,201	4,868,932	2,007,201	4,868,932
NON-CURRENT					
Amounts receivable from wholly owned subsidiary		-	-	276,459	648,863
Provision for impairment	6(a)	-	-	-	-
Total non-current trade and other receivables		-	-	276,459	648,863

Note 7 Inventories

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
	Note	$	$	$	$
CURRENT					
At cost:					
Work in progress		1,289,366	1,169,191	1,289,366	1,169,191
		1,289,366	1,169,191	1,289,366	1,169,191
		1,289,366	1,169,191	1,289,366	1,169,191

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 8 Other Assets

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
Prepayments	1,458,364	1,382,104	1,458,364	1,372,225
	1,458,364	1,382,104	1,458,364	1,372,225

Note 9 Financial Assets

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
		$	$	$	$
NON-CURRENT					
Investments in equity instruments designated as at fair value through other comprehensive income	9(a)	-	-	-	-
Other Investments	9(b)	-	-	-	-
Total non-current assets		-	-	-	-

Note 10 Property, Plant and Equipment

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
LAND AND BUILDINGS				
— Real Estate Assets	4,196,443	4,989,742	2,146,345	2,638,631
Total land and buildings	4,196,443	4,989,742	2,146,345	2,638,631
PLANT AND EQUIPMENT				
Plant and equipment:				
At written down value	651,481	973,386	651,481	973,386
Accumulated impairment losses	-	-	-	-
Total plant and equipment	651,481	973,386	651,481	973,386
Total property, plant and equipment	4,847,924	5,963,128	2,797,826	3,612,017

(c) Carrying Amount of Plant and Equipment in the Course of Construction

Note 11 Intangible Assets

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
Computer Software	13,325	20,207	13,325	20,207
Trademarks	1,550	71,550	1,550	71,550
Borrowing Costs Unexpired	-	21,284	-	21,284
Net carrying amount	14,875	113,041	14,875	113,041

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 12 Trade and Other Payables

	Note	Consolidated Group 2022 $	Consolidated Group 2021 $	Parent Entity 2022 $	Parent Entity 2021 $
CURRENT					
Unsecured liabilities					
Trade payables		1,713,168	1,470,432	1,131,185	1,460,114
Insert Details		-	-	-	-
	12(a)	1,713,168	1,470,432	1,131,185	1,460,114
NON-CURRENT					
Unsecured liabilities					
Trade payables		-	-	-	-
Sundry payables and accrued expenses		-	-	-	-
	12(a)	-	-	-	-

(a) Financial liabilities at amortised cost classified as trade and other payables

	Consolidated Group 2022 $	Consolidated Group 2021 $	Parent Entity 2022 $	Parent Entity 2021 $
Trade and other payables				
— total current	1,713,168	1;470,432	1,131,185	1,460,114
— total non-current	-	-	-	-
	1,713,168	1,470,432	1,131,185	1,460,114
Less: other payables (net amount of GST payable)	-	-	-	-
Financial liabilities as trade and other payables	1,713,168	1,470,432	1,131,185	1,460,114

Note 13 Borrowings

	Note	Consolidated Group 2022 $	Consolidated Group 2021 $	Parent Entity 2022 $	Parent Entity 2021 $
NON-CURRENT					
Secured Loans Payable		476,911	857,809	476,911	857,809
Unsecured Loans Payable		1,907,497	3,536,464	-	995,053
Total non-current borrowings		2,384,408	4,394,273	476,911	1,852,862
Total borrowings		2,384,408	4,394,273	476,911	1,852,862

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 14 Other Financial Liabilities

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
		$	$	$	$
CURRENT					
Financial guarantees		-	-	-	-
		-	-	-	-

Note 15 Tax

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
GST Payable	182,747	958,121	183,786	958,121
TOTAL	182,747	958,121	183,786	958,121

Note 16 Provisions

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
CURRENT	$	$	$	$
Employee Benefits	795,461	1,582,034	795,461	1,582,034
Total current provisions	795,461	1,582,034	795,461	1,582,034
NON-CURRENT				
Employee Benefits	-	974,517	-	974,517
Total non-current provisions	-	974,517	-	974,517

(b) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio and ensure that the Group can fund its operations and continue as a going concern.

The group's debt and capital include retained earnings and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Note	Consolidated Group		Parent Entity	
		2022	2021	2022	2021
		$	$	$	$
Total borrowings and lease liabilities	13	2,384,408	4,394,273	476,911	1,852,862
Trade and other payables	12	1,713,168	1,470,432	1,131,185	1,460,114
Total debt		4,097,576	5,864,705	1,608,096	3,312,976
Less cash and cash equivalents	5	(2,692,050)	(2,082,097)	(1,978,872)	(1,707,944)
Net debt		5,503,102	9,647,313	1,237,320	4,918,008
Total equity		7,233,996	6,199,116	7,235,620	6,654,565
Total net debt and equity		12,737,098	15,846,429	8,472,940	11,572,573
Gearing ratio		43%	61%	15%	42%

JOII LIMITED ABN: 55 621 826 051
AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 17 Cash Flow Information

	Consolidated Group		Parent Entity	
	2022	2021	2022	2021
	$	$	$	$
(a) Reconciliation of cash flows from operating activities with profit after income tax				
Net profit	1,034,879	1,945,521	581,055	1,922,412
Non-cash flows in profit				
— depreciation	214,116	319,692	214,116	319,692
— impairment of property, plant and equipment	171,750		171,750	
Changes in assets and liabilities:				
— (increase)/decrease in trade and other receivables	2,861,731	(1,608,752)	2,861,731	(1,609,046)
— (increase)/decrease in prepayments	(76,260)	2,245,772	(86,139)	2,253,782
— (increase)/decrease in inventories	(120,175)	1,565,331	(120,175)	1,565,331
— (increase)/decrease in other assets	98,166	18,960	98,166	18,960
— increase/(decrease) in trade and other payables	252,162	(1,103,558)	(328,929)	(1,055,815)
— increase/(decrease) in GST payable	(774,798)	426,855	(774,335)	419,434
— increase/(decrease) in provisions	(1,771,090)	132,242	(1,771,090)	132,242
Net cash provided by operating activities	1,890,481	3,942,063	846,150	3,966,992

Note 18 Company Details

The registered office of the company is:

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

The principal place of business is:

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

JOII LIMITED AND CONTROLLED ENTITIES
ABN: 55 621 826 051
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of JOII Limited and controlled entities, the directors of the registered entity declare that:

1. The financial statements and notes 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 2022 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.

Chairman ______________________________

Dated this 27 day of October 2022

ACCOUNTANTS ADVISERS AUDITORS PTY LTD

ACN 074 776 720
ABN 35 074 776 720

Ph: +617 2113 2827
F: +617 2351 9789
E: rwhite@aaa4audit.com.au
W: www.aaa4audit.com.au
A: **2/290 Boundary Street SPRING HILL Qld 4000**
Po: PO Box 21 WYNNUM Qld 4178

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

JOII LIMITED

ACN 621 826 051 ABN 55 621 826 051

AND CONTROLLED ENTITIES

REPORT on the Audit of the Financial Report

Opinion

We have audited the financial report of Joii Limited (the company limited by guarantee), and controlled entities, 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 (the parent entity) and the consolidated group (including controlled entities) as at 30 June 2022 and of its/their 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

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 financial year, the company continued to be impacted by COVID-19 and there remains uncertainty around the full impact that this event had 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 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.

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 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 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company 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.

Auditor's name and signature: Robert White
Registered Company Auditor (# 5902)
Registered SMSF Auditor (# 100211005)
Public Accountant (MIPA # 222132)

Name of firm: Accountants Advisers Auditors Pty Ltd

Dated: **21 October 2022**