



Financial Report 2020-21

TOGETHER WE ARE ABLE

Able Australia Services

ABN 83 024 339 234

Annual Report - 30 June 2021

Able Australia Services
Contents
30 June 2021

Directors' report	2
Auditor's independence declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	32
Independent auditor's report to the members of Able Australia Services	33

Able Australia Services
Directors' report
30 June 2021

The Directors of Able Australia Services present their report on the organisation for the financial year ended 30 June 2021.

Directors

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

D Clark (Chairperson until June 2021)
M M Downie (Deputy Chair)
P T Reilly (Chairperson from June 2021)
D G Wing (resigned November 2020)
P Morgan
R A Marks
J I Smith
B I McCowan
J G Rowan
J Mckenna (appointed April 2021)

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

Business Strategies and Objectives

The year ending 30 June 2021 was again challenging due to COVID-19. The pandemic adversely impacted service delivery, most notably day services. COVID-19 has also detrimentally impacted Able Australia's ability to deliver revenue targets in the three-year strategic plan (2018-2021).

A refresh of the three year strategic plan was prepared to face the challenges of the dynamic nature of the National Disability Insurance Scheme (NDIS). The aim is for continued growth to 2024.

Rather than focus on one geographical area, growth will be dispersed across all existing areas of operations- South-East Queensland, ACT, Victoria, and Tasmania.

Able strives to enhance the lives of clients through the delivery of high-quality disability services, deafblind services, community-based services and transport services. Clients include adults with disabilities varying from mild intellectual disabilities to those with high complexity and specialist care needs. Supported independent living services remain a key part of the growth strategy.

Further growth in community and lifestyle programmes is also planned, as is growth of in-home services, outreach support and new areas of behaviour support and allied health.

During the strategic plan review process the ethos of Better Days, Every Day for our clients was firmly endorsed. Furthermore, the following priorities will continue:

- Improving the quality of our services, including compliance to safeguard our clients.
- Supporting a Centre of Excellence for Deafblind.
- Building better engagement with all clients, families, staff and the broader community.
- Expanding services to more individuals within a financially sustainable model.

Principal activity

The organisation principally provided services to adults with physical, intellectual and sensory disabilities and to their families during the course of the financial year ended 30 June, 2021. Activities included the operation of a series of long-term residential services, day services, support coordination, community services and transport and commencement of behaviour support and allied health services during 2020/2021.

"In-home" and other community-based respite care, emergency care and a support service to members of this group who live in the community was provided. Programmes offered were diverse and included training in the use of computers and exposure to a variety of activities which enhance independent living and access to recreation. The organisation also represented the interests of people with a combined vision and hearing impairment as a group during the year.

All these activities have assisted the organisation to achieve its short and long term objectives and strategies.

Able Australia Services
Directors' report
30 June 2021

This financial year was again extremely challenging due to the impact of COVID-19. The pandemic adversely impacted operations and impacted operating revenue. Able qualified for and received the JobKeeper subsidy until the scheme ceased in October 2020. This subsidy enabled Able to continue delivering services and employing staff. Day services were again most impacted by COVID-19, with public health orders effecting Day Service delivery, primarily in Victoria.

During the year ended 30 June 2021 funding was provided by: the National Disability Insurance Agency (72% of annual revenue), Department of Communities (Queensland), Department of Health and Ageing (Commonwealth), the Australian Taxation Office (JobKeeper), Transport Accident Commission and fundraising from the general public, including bequests, philanthropic trusts and donations.

All corporate functions operate out of our national office at 413 Canterbury Road, Surrey Hills, Victoria 3127

Performance measurement

The organisation currently measures its performance through:

- Key Performance Indicators set in the Strategic Plan such as
 - > Number of new and existing people supported.
 - > Client and employee feedback.
 - > Number, demographic and skills of staff and volunteers.
 - > Efficiency of service delivery aligned to funding requirements.
 - > Number of incidents and complaints and effective reporting.
 - > Financial performance and internal benchmarking.
 - > Total service hours delivered.
- ISO 9001: 2015 Quality Management System accreditation.
- Yearly review and re interpretation of Strategic Plan.

Operating Result

The operating surplus from ordinary activities amounted to \$5,744,127 (2020: surplus \$3,485,402).

Dividends

The organisation is limited by guarantee and therefore does not have share capital. In compliance with the Constitution of the organisation, no dividend was declared.

Review of Operations

A review of the operations of the organisation during the financial year and the results of those operations found that the organisation during the year performed at a surplus of \$5,744,127 after taking into account the net value gain on available for sale financial assets.

The Directors are confident that with careful cost controls, continuous monitoring and improved financial reporting the organisation's financial position should be maintained for the long term.

Significant changes in state of affairs

COVID-19 had a large impact on the organisation – particularly our day service offerings. The now ceased JobKeeper subsidy was short term funding for 2021. Two properties deemed surplus to operating requirements were sold.

Environmental issues

The organisation's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

**Able Australia Services
Directors' report
30 June 2021**

Information on directors

David Clark	Chairperson until June 2021/ Director since November 2012
Qualifications:	Graduate of the Australian Institute of Company Directors.
Experience:	David was appointed Chairperson of the Able Australia Board in December 2013. He is an Executive Coach with more than 20 years' experience in senior executive roles within a diverse range of organisations. His background is in Human Resources and Senior Executive Management roles, working primarily in the food and beverage industry. David has worked in Europe, USA, Asia and the Pacific and has deep experience in organisational change.
Meg Downie	Deputy Chairperson since November 2018, Director since 2016
Qualifications:	Bachelor of Business
Experience:	Meg is the Director of the Infrastructure, Government and Healthcare Industry Group at KPMG where she has been managing the strategic growth and market positioning of its government business for a number of years and brings a wealth of expertise and knowledge to Able Australia. Prior to KPMG, Meg spent 16 years with the Commonwealth and Victorian Public Services where she specialised in organisational re-structuring and a range of human resource management functions.
Committee Membership (Able):	Chair – People & Engagement Committee Chair – Client Advisory Committee
Peter Reilly	Chairperson since June 2021 / Director since November 2012
Qualifications:	Bachelor of Business Accounting Associate - the Institute of Chartered Accountants, Registered Tax agent since 1976, Associate - Institute of Company Directors.
Experience:	Peter has more than 40 years' experience as a senior executive and has demonstrated success in a range of areas including general management, building high performance teams, developing and implementing financial and business plans, directing public companies and ensuring funding requirements are met in high growth organisations. Peter is a Director of Melba Opera Trust, Director of the St. Bernard's Foundation, Chairman of Scotchmans Hill Pty Ltd and Executive Director of Lifeview Residential Care Group.
Committee Membership (Able):	Chair - Finance, Investment and Remuneration Committee until June 2021 Finance, Investment and Remuneration Committee
Hon. Don Wing AM LLB	Director since August 2011 / Resigned November 2020
Qualifications:	Bachelor of Laws
Experience:	Don practised as a Barrister and Solicitor for 20 years before being elected to the Legislative Council in the Parliament of Tasmania. During his 29 years as an Independent Member, he served as President of the Council for six years and was Mayor of Launceston from 1983-1987. Don is a member and patron of a number of community, humanitarian and sporting organisations.
Committee Membership (Able):	People & Engagement Committee

**Able Australia Services
Directors' report
30 June 2021**

Dr Prue Morgan Director since June 2018

Qualifications: PhD, MAppSc (research), BAppSc (physio), Grad Dip Neuroscience
Experience: Prue is the current Head of Physiotherapy at Monash University. She is an experienced physiotherapy clinician and academic with more than 30 years of experience in neurological clinical practice, physiotherapy education and research. Prue has assumed many state and national leadership roles in physiotherapy over her career and was awarded the title of Specialist Neurological Physiotherapist in 2008 by the Australian College of Physiotherapists in recognition of her expertise in clinical practice and scholarship. She has particular skills in the management of issues affecting people aging with complex disability, and brings her clinical experience to Able Australia.

Committee Membership (Able): Client Quality & Safeguarding Committee

Bruce McCowan Director since July 2019

Qualifications: Bachelor of Education, Post Graduate in Education Studies, Fellow of the Australian Institute of Company Directors
Experience: Bruce is an experienced Executive, Human Resources Leader, Consultant and Board Director with extensive expertise in organisational transformation through alignment of business and HR strategy, with a particular emphasis on culture change and improving leadership capability. Bruce is currently Partner Performance at deliberatepractice and is Chair of the White Ribbon Australia Accreditation Committee. He has previously served as a Board Director for a number of organisations in the not-for-profit sector, including a disability services organisation.

Committee Membership (Able): Chair - Client Quality & Safeguarding Committee
Finance, Audit, Investment & Risk Committee

John Rowan Treasurer since June 2021 / Director since July 2019

Qualifications: Bachelor of Business (Accounting), CPA, Fellow of the Governance Institute of Australia
Experience: John has held a variety of leadership roles in diverse areas including Human Resources Management, Superannuation, Company Secretariat, Fleet Management, Sales & Marketing, Supply Chain and Occupational Health and Safety. John has extensive skills in business development and continuous improvement (kaizen) and has previously served as a longstanding Board Director for a not-for-profit disability organisation.

Committee Membership (Able): Finance, Audit, Investment & Risk Committee
People & Engagement Committee

Ro Marks Director since July 2019

Qualifications: Bachelor of Applied Science Recreation, Master of Social Science Human Services, Graduate Diploma Strategic Foresight
Experience: Ro has a 30-year history as a social policy and planning professional. Ro has worked in senior roles with state, regional and local governments, not-for-profit organisations and statutory authorities in Victoria and Western Australia. After operating a social policy and planning consultancy for 14 years, Ro is currently the Community Care Policy Lead at the Municipal Association of Victoria (MAV). Ro is committed to strengthening engagement with service users, their families, and carers to ensure quality in policy and service outcomes.

Committee Membership (Able): Client Quality & Safeguarding Committee
Client Advisory Committee

Able Australia Services

Directors' report

30 June 2021

Jenny Smith Director since July 2019

Qualifications: Bachelor in Computer Science, Information Systems and Accounting, MBA Melbourne Business School, CPA, Graduate of the Australian Institute of Company Directors

Experience: Jenny is a senior executive with diverse experience across the not-for-profit and for profit sectors. She has been in senior roles at Mercy Health for twelve years and currently holds the position of Executive Director – Strategy, Planning and Major Projects.

Committee Membership (Able): Finance, Audit, Investment & Risk Committee

John Mckenna Director since April 2021

Experience: John has over 30 years' experience delivering services to people with disabilities and to their families. John has a deep understanding of the disability sector and the disability community more broadly. This is reinforced by his own experience having been born with disability.

While Chairman of Internet industry association web Accessibility task force, John worked closely with the deaf and blind community to highlight the issue of inclusive website accessibility to industry. More recently John spent many years working for the disability advocacy group VALID as an advocate. Today John is involved in a number of projects. He hosts and produces his own podcast "So...Podcast" and is a Peer Practitioner for Drummond Street Services. In addition to these commitments, John is also an Honorary Justice of the Peace Victoria, Board member at Speak Out Tasmania and is co-founder of Victorian Student Nurses.

Committee Membership (Able): Client Advisory Committee
Client Quality & Safeguarding Committee

Meetings of directors

During the year, 7 meetings of Board members were held.

Attendees were:	Number eligible to attend	Number attended
David Clark	7	6
Meg Downie	7	6
Peter Reilly	7	7
Donald Wing	3	3
Prue Morgan	7	7
Bruce McCowan	7	6
Ro Marks	7	6
John Rowan	7	7
Jenny Smith	7	7
John Mckenna	2	2

During the year, 8 meetings of **Finance, Audit, Investment and Risk Committee** were held.

Attendees were:	Number eligible to attend	Number attended
Peter Reilly	8	8
John Rowan	8	8
Jenny Smith	8	8
Bruce McCowan (observer 2020/ Committee member 2021)	8	8

**Able Australia Services
Directors' report
30 June 2021**

During the year, 2 meetings of **People and Engagement Committee** were held.

Attendees were:	Number eligible to attend	Number attended
Meg Downie	2	2
Don Wing	1	1
John Rowan	2	2

During the year, 4 meetings of **Client Quality & Safeguarding Committee** were held.

Attendees were:	Number eligible to attend	Number attended
Bruce McCowan	4	4
Ro Marks	4	4
Prue Morgan	4	4

During the year, 4 meeting of **Client Advisory Committee** were held.

Attendees were:	Number eligible to attend	Number attended
Meg Downie	4	4
Ro Marks	4	4
Peter Reilly (formed quorum)	1	1

Indemnifying officers or auditors

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is, or has been, an officer or auditor of the organisation.

Proceedings on behalf of the Company

No other person has applied for leave of Court to bring proceedings on behalf of the organisation or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Members

If the organisation is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the organisation.

At 30 June 2021 the number of members was 19 (2020 - 19).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 8 of the directors' report.

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



Peter Reilly
Director


John Rowan (Sat 26, 2021 09:37 GMT+11)

John Rowan
Director

25 October 2021
Melbourne

This document was electronically signed in accordance with the COVID-19 Omnibus (Emergency Measures) (Electronic Signing and Witnessing) Regulation 2020.

Auditor's Independence Declaration

To the Directors of Able Australia Services

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Able Australia Services for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 25 October 2021

Able Australia Services
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$ (Restated)
Revenue and Income	4	62,449,011	56,055,427
Expenses			
Employee benefits expense	3	(46,818,410)	(41,842,775)
Depreciation and amortisation expense	3	(2,421,212)	(2,270,647)
Impairment of assets held for sale	9	-	(134,219)
Occupancy expenses	3	(11,930)	(53,904)
Telemarketing and mailing expense		(24,682)	(3,751)
House-keeping		(764,953)	(681,147)
Utilities		(555,863)	(590,067)
Transport costs		(1,029,560)	(1,170,713)
Agency staff		(78,377)	(258,964)
Other expenses		(4,740,963)	(5,303,792)
Finance costs	3	(258,934)	(260,046)
Surplus before income tax expense		5,744,127	3,485,402
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the owners of Able Australia Services		5,744,127	3,485,402
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Able Australia Services		<u>5,744,127</u>	<u>3,485,402</u>

Refer to note 2 for detailed information on Restatement of comparatives.

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

Able Australia Services
Statement of financial position
As at 30 June 2021

	Note	2021 \$	2020 \$ (Restated)	2019 \$ (Restated)
Assets				
Current assets				
Cash and cash equivalents	6	8,825,880	9,201,423	1,898,008
Trade and other receivables	7	2,259,748	1,742,441	3,930,822
Prepayments		668,697	542,838	662,683
Accrued income	8	720,957	4,008,263	1,403,388
		<u>12,475,282</u>	<u>15,494,965</u>	<u>7,894,901</u>
Non-current assets classified as held for sale	9	-	1,856,941	-
Total current assets		<u>12,475,282</u>	<u>17,351,906</u>	<u>7,894,901</u>
Non-current assets				
Financial assets	10	12,387,269	5,938,506	6,489,635
Property, plant & equipment	11	14,933,195	13,308,461	12,225,431
Right-of-use assets	17	3,362,197	3,668,341	-
Intangible assets	12	101,403	115,567	57,985
Total non-current assets		<u>30,784,064</u>	<u>23,030,875</u>	<u>18,773,051</u>
Total assets		<u>43,259,346</u>	<u>40,382,781</u>	<u>26,667,952</u>
Liabilities				
Current liabilities				
Trade and other payables	13	3,182,175	8,378,957	3,627,522
Interest bearing loans and borrowings	14	2,722,118	1,160,005	14,380
Lease liabilities	17	990,289	1,029,511	-
Provisions	15	6,062,511	4,968,908	4,545,463
Total current liabilities		<u>12,957,093</u>	<u>15,537,381</u>	<u>8,187,365</u>
Non-current liabilities				
Lease liabilities	17	2,563,502	2,852,167	-
Provisions	16	567,169	565,778	538,534
Total non-current liabilities		<u>3,130,671</u>	<u>3,417,945</u>	<u>538,534</u>
Total liabilities		<u>16,087,764</u>	<u>18,955,326</u>	<u>8,725,899</u>
Net assets		<u>27,171,582</u>	<u>21,427,455</u>	<u>17,942,053</u>
Members funds				
Reserves		2,069,128	2,069,128	2,069,128
Accumulated surplus		<u>25,102,454</u>	<u>19,358,327</u>	<u>15,872,925</u>
Total members funds		<u>27,171,582</u>	<u>21,427,455</u>	<u>17,942,053</u>

Refer to note 2 for detailed information on Restatement of comparatives.

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

Able Australia Services
Statement of changes in equity
For the year ended 30 June 2021

	Capital reserve \$	Accumulated surplus \$	Total members funds \$
Balance at 1 July 2019	2,069,128	16,922,474	18,991,602
Adjustment for change in accounting policy (note 2)	-	(1,049,549)	(1,049,549)
Balance at 1 July 2019 - restated	2,069,128	15,872,925	17,942,053
Surplus after income tax expense for the year	-	3,485,402	3,485,402
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,485,402	3,485,402
Balance at 30 June 2020	<u>2,069,128</u>	<u>19,358,327</u>	<u>21,427,455</u>

Refer to note 2 for detailed information on Restatement of comparatives.

	Capital reserve \$	Accumulated surplus \$	Total members funds \$
Balance at 1 July 2020	2,069,128	19,358,327	21,427,455
Surplus after income tax expense for the year	-	5,744,127	5,744,132
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	5,744,127	5,744,132
Balance at 30 June 2021	<u>2,069,128</u>	<u>25,102,454</u>	<u>27,171,582</u>

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

Able Australia Services
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$ (Restated)
Cash flows from operating activities			
Receipts from customers		4,028,768	6,638,052
Receipt of Government grants		52,831,551	52,490,570
Payments to suppliers and employees		(54,136,228)	(48,530,168)
Dividends received		413,285	399,535
Interest received		9,740	8,361
Finance costs		(258,934)	(394,265)
Net cash from operating activities		<u>2,888,182</u>	<u>10,612,085</u>
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		69,384	235,418
Payment for intangible asset - software		-	(69,424)
Payment for property, plant & equipment		(2,782,029)	(3,940,758)
Payment for investments		(5,547,885)	(1,059,845)
Proceeds from sale of investments		361,067	1,576,915
Proceeds from disposal of held for sale assets		4,351,723	-
Net cash used in investing activities		<u>(3,547,740)</u>	<u>(3,257,694)</u>
Cash flows from financing activities			
Proceeds from borrowings		2,069,205	1,155,607
Payment of borrowings		(507,092)	(9,982)
Lease payments for right-of-use assets		(1,278,098)	(1,196,601)
Net cash from/(used) in financing activities		<u>284,015</u>	<u>(50,976)</u>
Net (decrease)/increase in cash and cash equivalents		(375,543)	7,303,415
Cash and cash equivalents at the beginning of the financial year		<u>9,201,423</u>	<u>1,898,008</u>
Cash and cash equivalents at the end of the financial year	19	<u><u>8,825,880</u></u>	<u><u>9,201,423</u></u>

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

Note 1. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Charities and Not-for-Profit Commission Act 2012, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and complies with other requirements of the law.

The financial statements of Able Australia Services complies with all Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

For the purpose of this financial report the Company is considered a not for profit entity.

The financial report was authorised for issue by the directors on 25 October 2021.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern depreciation rates. These are reviewed annually by the Company to ensure that assets are being appropriately depreciated

Right of use assets and lease liabilities

In applying AASB 16, the Company has made the following judgements.

In determining the lease term used to ascertain total future lease payments, the Company considers all facts and circumstances that create an economic benefit to exercise an extension option. Renewal options are only considered to be part of the lease term if the lease is reasonably certain to be extended. The Company has included renewal periods as part of the lease term for all leases it is reasonably certain will be extended. Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The IBR is the interest rate that the Company would have to pay to borrow over a similar term of each lease. To determine the IBR, the Company:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions; and
- Makes adjustments specific to the lease, e.g. term and security.

Note 1. Significant accounting policies (continued)

Long service leave

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

Property, plant and equipment

Useful lives and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(a) Adoption of new and amended accounting standards

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

Except for the standards and amendment disclosed in the early adoption section below, any other new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

The Company elected to adopt the following standards and amendment early:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

These are the Company's first general purpose financial statements prepared in accordance with AASB 1060.

Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)

During the financial year the International Financial Reporting Interpretations Committee IFRIC identified that various approaches to customisation and configuration costs for cloud computing arrangements were utilised by companies depending on internal policy. These policies varied from expensing all costs in full to capitalisation of all costs in full, with most entities taking a more nuanced approach in their capitalisation policy and differentiating between expenditure with different underlying fact patterns.

The Agenda Decision requires that management capitalise those elements of expenditure that meet the definition of an "Intangible Asset" as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure – either by applying AASB 138 or applying another accounting standard.

The impact of this decision has had a material impact on the Company's financial statements, and the Company has changed its accounting policy on intangible assets capitalisation. Refer to note 2 for detailed information.

Note 1. Significant accounting policies (continued)

Portable long service leave scheme

From 1 January 2021, the Company commenced making contributions for certain eligible employees to Queensland's new portable long service leave scheme, pursuant to the *Community Services Industry (Portable Long Service Leave) Act 2020*. A levy of 1.35% of eligible salaries is paid to the Portable Long Service Leave Authority. Any amounts payable to eligible employees in relation to long service leave post 1 January 2021 will be funded by the Authority as and when they arise. However, the existence of the scheme does not discharge the company's obligation to pay long service leave to employees in the event that the Authority cannot meet its obligations. At balance date the Company has no reason to believe that the Authority will not meet its obligations under the agreements with the Company as employer. As information on the long service leave provisions as they pertain to the Company's eligible employees is not readily available, the gross receivable from the Authority and provision for long service leave payable to eligible employees (which are equal and offsetting) have not been recognised in these financial statements.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Where an item of property, plant or equipment is acquired for no or nominal consideration the item's fair value at acquisition date is deemed as its cost.

Property

Buildings are measured at cost less depreciation and impairment losses. Freehold land is measured at cost less impairment.

Plant and Equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

At each reporting date, the directors review a number of factors affecting property, plant and equipment, including their carrying values, to determine if these assets, grouped into cash-generating units, may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset's 'fair value less costs to sell' and 'value in use', is compared to the carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the Statement of Profit and Loss as an impairment expense.

Where the future economic benefits of the Company's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the Company would replace the asset's remaining future economic benefits, 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Depreciation

The depreciation amount of all property plant and equipment, including buildings and capital lease assets, but excluding freehold land is depreciated over the useful lives to the Company, 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 asset are:

Able Australia Services
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies (continued)

Class of Property Plant and Equipment	Depreciation Rate	Method
Buildings	3%	Straight Line
Freehold improvements	3%	Straight Line
Leasehold improvements	3%	Straight Line
Motor vehicles	20%	Straight Line
Plant & equipment	10%	Straight Line
Computer equipment	33%	Straight Line

The gain or loss on disposal of all property plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in the operating surplus of the Company in the year of disposal.

(c) Taxation

The Company is not required to provide for income tax as it is exempt from taxation by virtue of the Income Tax Assessment Act 1997 as amended.

(d) Organisational structure

The Company is limited by guarantee and accordingly, does not have a share structure. The Constitution prohibits the distribution of any surplus derived by the Company to any member or members.

If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company.

At 30 June 2021 the number of members was 19 (30 June 2020: 19).

(e) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Note 1. Significant accounting policies (continued)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

These are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Impairment of financial assets

AASB 9's impairment requirements use forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and trade receivables that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Note 1. Significant accounting policies (continued)

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(g) Leases

The Company leases various properties, motor vehicles and IT equipment. Rental contracts are typically made for fixed periods of 1 to 5 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Note 1. Significant accounting policies (continued)

To determine the incremental borrowing rate, the company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Peppercorn leases:

Able have five peppercorn leases consisting of discounts for the leases of two small offices and three motor vehicles. The offices are not fully staffed, and if they had to be surrendered, staff could be accommodated elsewhere with minimal expense and interruption to service delivery. Similarly, the vehicles are not essential and would not impact business if they were no longer provided

The operations of the business do not rely on peppercorn leases and their future existence present no threat to the future operations of the business.

Note 1. Significant accounting policies (continued)

(h) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

From 1 January 2021 the Company commenced making contributions for certain eligible employees to Queensland's new portable long service leave scheme, pursuant to the *Community Services Industry (Portable Long Service Leave) Act 2020*. A levy of 1.35% of eligible salaries is paid to the Portable Long Service Leave Authority.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(i) Revenue and Income

Fees for services

Fees for services revenue is recognised over time as performance obligations are satisfied, which is as the services are provided. Fees received in advance of services being performed are recognised as contract liabilities.

Grant funding revenue with sufficiently specific and enforceable performance obligations

Grant funds received by the Company that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Company satisfies its performance obligations.

Grant funding income without sufficiently specific and enforceable performance obligations

Grant funds received by the Company that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.

Donations, fundraising, wills and bequests

Donations, fundraising, wills and bequest income is recognised when the Company gains control of the funds and when the funds provided do not give rise to an obligation.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Dividend income

Dividend income is recognized when the right to receive a dividend has been established.

Note 1. Significant accounting policies (continued)

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows

(k) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

- software: 10 years

Amortisation is included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(l) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Able Australia Services
Notes to the financial statements
30 June 2021

Note 2. Restatement of comparatives

Change in accounting policy

The International Financial Reporting Interpretations Committee (IFRIC) addressed in a paper issued in April 2021 considerations for how a customer should account for costs of configuring or customising a supplier's application software in a Cloud Computing or Software as a Service (SaaS) arrangement. As a result, the Company has changed its accounting policy on customisation cost capitalisation, which requires retrospective application.

The tables below summarise the amounts of the adjustments for each financial statement line item affected by the adoption of the accounting policy for the comparative year ending 30 June 2020 and 30 June 2019.

Adjustments made to Statement of profit or loss and other comprehensive income:

Extract	2020 \$ Reported	\$ Adjustment	2020 \$ Restated
Expenses			
Depreciation and amortisation expense	(2,433,815)	163,168	(2,270,647)
Other expenses	<u>(5,297,441)</u>	<u>(6,351)</u>	<u>(5,303,792)</u>
Surplus before income tax expense	3,328,585	156,817	3,485,402
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the owners of Able Australia Services	3,328,585	156,817	3,485,402
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Able Australia Services	<u><u>3,328,585</u></u>	<u><u>156,817</u></u>	<u><u>3,485,402</u></u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 2. Restatement of comparatives (continued)

Adjustments made to Statement of financial position

	2020 \$	\$	2020 \$
Extract	Reported	Adjustment	Restated
Assets			
Non-current assets			
Intangible assets	1,008,299	(892,732)	115,567
Total non-current assets	<u>23,923,607</u>	<u>(892,732)</u>	<u>23,030,875</u>
Total assets	<u>41,275,513</u>	<u>(892,732)</u>	<u>40,382,781</u>
Net assets	<u>22,320,187</u>	<u>(892,732)</u>	<u>21,427,455</u>
Members funds			
Retained profits	<u>20,251,059</u>	<u>(892,732)</u>	<u>19,358,327</u>
Total members funds	<u>22,320,187</u>	<u>(892,732)</u>	<u>21,427,455</u>
	2019 \$	\$	2019 \$
Extract	Reported	Adjustment	Restated
Assets			
Non-current assets			
Intangible assets	1,107,534	(1,049,549)	57,985
Total non-current assets	<u>19,822,600</u>	<u>(1,049,549)</u>	<u>18,773,051</u>
Total assets	<u>27,717,501</u>	<u>(1,049,549)</u>	<u>26,667,952</u>
Net assets	<u>18,991,602</u>	<u>(1,049,549)</u>	<u>17,942,053</u>
Members funds			
Retained profits	<u>16,922,474</u>	<u>(1,049,549)</u>	<u>15,872,925</u>
Total members funds	<u>18,991,602</u>	<u>(1,049,549)</u>	<u>17,942,053</u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 3. Surplus for the year

Surplus for the year has been arrived at after charging the following expenses:

	2021	2020
	\$	\$
Borrowing costs - other	90,946	77,574
Interest expense on leases	167,988	182,472
Finance costs	<u>258,934</u>	<u>260,046</u>
Depreciation of property, plant and equipment	1,150,693	848,867
Amortisation of intangible assets	14,164	11,842
Depreciation of right-of-use assets	<u>1,256,355</u>	<u>1,409,938</u>
	<u>2,421,212</u>	<u>2,270,647</u>
Employee benefits - wage and salaries	43,191,120	38,237,206
Employee benefits - superannuation contributions	3,627,290	3,605,569
Employee benefits expense	<u>46,818,410</u>	<u>41,842,775</u>
Rental expense for short-term and low-value leases	<u>11,930</u>	<u>53,904</u>

Note 4. Revenue and Income

	2021	2020
	\$	\$
<i>Operating activities</i>		
Fundraising	612,630	529,950
Other income including fees, etc	3,108,850	3,827,791
Gain on disposal of held for sale assets	2,494,782	-
Federal and State Government funding	49,925,769	46,851,212
Other grants	231,365	196,538
Wills & bequests	843,523	89,673
Interest received	9,739	8,361
Dividends received	413,285	399,535
Gain on sale of property, plant and equipment	62,782	83,498
Fair value movement of financial assets at FVPL	1,261,945	(34,059)
JobKeeper income	<u>3,484,341</u>	<u>4,102,928</u>
Revenue and Income	<u><u>62,449,011</u></u>	<u><u>56,055,427</u></u>

Note 5. Auditor's remuneration

	2021	2020
	\$	\$
Remuneration of the auditor of the Company		
Auditing the financial report	<u>46,100</u>	<u>41,000</u>
Other services		
Tax consulting	20,400	7,000
Tax compliance	-	29,900
	<u>20,400</u>	<u>36,900</u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 6. Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	7,620	13,720
Cash and cash equivalents	8,818,260	4,184,994
Term deposit	-	5,002,709
	<u>8,825,880</u>	<u>9,201,423</u>

Note 7. Trade and other receivables

	2021	2020
	\$	\$
Trade receivables	2,091,801	1,222,313
Less: Allowance for expected credit losses	(129,880)	(87,779)
	<u>1,961,921</u>	<u>1,134,534</u>
Other receivables	297,827	607,907
	<u>2,259,748</u>	<u>1,742,441</u>

The average credit period on rendering of services is 30 days. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from rendering of services determined by reference to past default experience.

Note 8. Accrued income

	2021	2020
	\$	\$
JobKeeper income	-	2,998,929
NDIA income	645,563	985,707
Other income	75,394	23,627
	<u>720,957</u>	<u>4,008,263</u>

Note 9. Non-current assets classified as held for sale

	2021	2020
	\$	\$
Land and buildings - at book value	-	1,856,941
	<u>2021</u>	<u>2020</u>
Represented by:		
616 Riversdale Road Camberwell (a)	-	1,401,941
7 Jacaranda Street East Ipswich (b)	-	455,000
	<u>-</u>	<u>1,856,941</u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 9. Non-current assets classified as held for sale (continued)

Reconciliations

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

Opening Carrying Value	1,856,941	-
Additions	-	1,991,160
Impairment (c)	-	(134,219)
Disposal upon settlement	<u>(1,856,941)</u>	<u>-</u>
Closing Carrying Value	<u>-</u>	<u>1,856,941</u>

(a) The contract of sale was signed for 616 Riversdale Road on 29 July 2020 for \$4,020,000. Settlement occurred on 23 June 2021.

(b) The contract of sale was signed for 7 Jacaranda Street East Ipswich on 17 July 2020 for \$455,000. Settlement occurred on 21 August 2020.

(c) 7 Jacaranda Street East Ipswich was sold for less than its carrying amount on 17 July 2020, thus an impairment expense of \$133,588 was recognised at 30 June 2020 to recognise the property at fair value less costs to sell.

Note 10. Financial assets

	2021 \$	2020 \$
Financial assets at FVTPL	<u>12,387,269</u>	<u>5,938,506</u>

Financial assets consist of investments in equity instruments, and therefore have no fixed maturity date or coupon rate.

Note 11. Property, plant & equipment

	2021 \$	2020 \$
Land and Buildings - Freehold land at Cost	<u>2,903,222</u>	<u>2,753,222</u>
Buildings - at cost	9,080,321	8,631,202
Less: Accumulated depreciation	<u>(2,130,421)</u>	<u>(1,869,351)</u>
Total Buildings	<u>6,949,900</u>	<u>6,761,851</u>
Leasehold improvements - at cost	1,415,431	1,395,113
Less: Accumulated depreciation	<u>(261,434)</u>	<u>(162,568)</u>
	<u>1,153,997</u>	<u>1,232,545</u>
Plant and equipment - at cost	2,937,889	2,686,109
Less: Accumulated depreciation	<u>(1,959,077)</u>	<u>(1,684,544)</u>
	<u>978,812</u>	<u>1,001,565</u>
Motor vehicles - at cost	3,406,084	1,479,084
Less: Accumulated depreciation	<u>(770,712)</u>	<u>(398,272)</u>
	<u>2,635,372</u>	<u>1,080,812</u>
Capital Work in Progress - at cost	<u>311,892</u>	<u>478,466</u>
Total Property, Plant & Equipment	<u>14,933,195</u>	<u>13,308,461</u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 11. Property, plant & equipment (continued)

Freehold land and buildings with a carrying amount of \$9,853,122 (30 June 2020: \$9,515,072) have been pledged to secure borrowings of the Company. The freehold land and buildings have been pledged as security for bank loans under a mortgage. The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

(a) Movement in Carrying Amounts

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

	Freehold Land \$	Buildings \$	Freehold & Leasehold Improvement \$	Plant and Equipment \$	Motor Vehicles \$	Capital WIP \$	Total \$
Balance at 1 July 2020	2,753,222	6,761,851	1,232,545	1,001,565	1,080,812	478,466	13,308,461
Additions	-	-	-	118,438	2,066,960	641,477	2,826,875
Disposals	-	-	-	(2,594)	(4,008)	-	(6,602)
Transfers in/(out)	150,000	449,119	20,318	143,418	-	(808,051)	(45,196)
Depreciation expense	-	(261,070)	(98,866)	(282,015)	(508,392)	-	(1,150,343)
Balance at 30 June 2021	<u>2,903,222</u>	<u>6,949,900</u>	<u>1,153,997</u>	<u>978,812</u>	<u>2,635,372</u>	<u>311,892</u>	<u>14,933,195</u>

Note 12. Intangible assets

	2021 \$	2020 \$
Software - at cost	141,624	141,624
Less: Accumulated amortisation	<u>(40,221)</u>	<u>(26,057)</u>
Total Software	<u>101,403</u>	<u>115,567</u>

(a) Movements in carrying amounts

	2021	2020
Balance at 1 July	115,567	57,985
Amortisation	(14,164)	(11,842)
Additions	<u>-</u>	<u>69,424</u>
Balance 30 June	<u>101,403</u>	<u>115,567</u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 13. Trade and other payables

	2021	2020
	\$	\$
Trade payables	1,680,346	2,025,021
Sundry creditors and accrued expenses	873,429	1,866,682
Contract liabilities	628,400	4,487,254
	<u>3,182,175</u>	<u>8,378,957</u>

The average credit period on purchases of goods is 30 days. No interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Note 14. Interest bearing loans and borrowings

	2021	2020
	\$	\$
Corporate Credit Card	889	-
Bank Loan – Secured	5,753	4,398
Nissan Finance Loan	2,715,476	1,155,607
	<u>2,722,118</u>	<u>1,160,005</u>

(a) The carrying amounts of non-current assets pledged as security are:

Motor vehicles purchased with finance	2,635,372	1,071,889
Freehold land and buildings	9,853,122	9,515,072

Note 15. Current Provisions

	2021	2020
	\$	\$
Employee benefits	<u>6,062,511</u>	<u>4,968,908</u>

Note 16. Non-Current Provisions

	2021	2020
	\$	\$
Employee benefits	<u>567,169</u>	<u>565,778</u>

Able Australia Services
Notes to the financial statements
30 June 2021

Note 17. Right-of-use assets and lease liabilities

	2021	2020
	\$	\$
Right of Use Assets		
Property	3,001,690	2,863,461
Vehicles	69,192	377,925
IT Equipment	291,315	426,955
	<u>3,362,197</u>	<u>3,668,341</u>
Lease Liabilities		
Current	990,289	1,029,511
Non-Current	2,563,502	2,852,167
	<u>3,553,791</u>	<u>3,881,678</u>
Future lease payments in relation to lease liabilities as at period end are as follows:		
Within 1 year	1,124,938	1,214,756
Later than one year but not later than five years	2,613,002	2,881,085
Later than five years	124,932	256,997
	<u>3,862,872</u>	<u>4,352,838</u>

Note 18. Commitments

(a) Low-value and short-term lease commitments

	2021	2020
	\$	\$
Not later than one year	10,296	66,896
Later than one year and not later than five years	-	10,296
	<u>10,296</u>	<u>77,192</u>

The prior year amounts are operating leases relating to accommodation property leased with Housing Tasmania, office leases in both ACT and Launceston and motor vehicle operating leases.

The current year amounts relate to short-term and low-value leases of motor vehicles.

(b) Capital expenditure commitments

	2021	2020
	\$	\$
Not later than one year	525,696	474,680

Able Australia Services
Notes to the financial statements
30 June 2021

Note 19. Cash flow information

	2021	2020
	\$	\$
		(Restated)
(a) Reconciliation of cashflow from operations with surplus for the year		
Surplus for the year	<u>5,744,127</u>	<u>3,485,402</u>
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	2,421,212	2,270,647
Net gain on disposal of property, plant and equipment	(62,782)	(83,498)
Gain on disposal of held for sale assets	(2,494,782)	-
(Gain)/loss on fair value through profit or loss on investments	<u>(1,261,945)</u>	<u>34,059</u>
	<u>(1,398,297)</u>	<u>2,384,376</u>
Changes in assets and liabilities		
(Increase)/Decrease in assets:		
Trade receivables	(517,307)	2,188,381
Other assets	3,161,447	(2,485,030)
Increase/(Decrease) in liabilities:		
Trade payables	(5,196,782)	4,751,435
Provisions	<u>1,094,994</u>	<u>450,689</u>
Net cash from operating activities	<u><u>2,888,182</u></u>	<u><u>10,612,085</u></u>

Financing facilities

The amount of undrawn borrowing facilities (overdraft) that may be available for future operating activities and to settle capital commitments: \$250,000. There are no restrictions on the use of these funds.

The Nissan Finance facility is a \$3.5m revolving motor vehicle financing facility. As at balance date there was \$784,524 of this facility unused.

Note 20. Remuneration of directors

Compensation

All Able Australia Services Directors served in an honorary capacity.

Note 21. Company details

The registered office and principal place of business of the Company is:

Able Australia Services
413 Canterbury Road
Surrey Hills Victoria 3127

Able Australia Services
Notes to the financial statements
30 June 2021

Note 22. Contingent liabilities

Contingent liabilities exist as at 30 June 2021.

Government capital funding

Government funding has been utilised for the purchase of non-current assets. If certain events occur, for example Able ceasing to use these non-current assets for the provision of facilities for people with disabilities, the government may be entitled to repayments. The Department of Health and Human Services claims such entitlements in relation to four Able properties.

The Directors do not consider that a liability needs to be recognised in respect of the claim given Able's continued use of the funds for the purpose for which they were provided in provision of facilities for people with disabilities. Further, any estimate of payments that would occur should this situation arise cannot be measured at reporting date.

Note 23. Related party transactions

Able's related parties include its Key Management Personnel as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Key management of Able are the members of the Executive Leadership Team. Key Management Personnel remuneration includes the following expenses:

	2021	2020
	\$	\$
Total Key Management Personnel remuneration	<u>1,585,105</u>	<u>1,580,792</u>

Note 24. Events after the reporting period

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

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

**Able Australia Services
Directors' declaration
30 June 2021**

The directors declare that:

- In the director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable: and
- In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including compliance with Australian Accounting Standards - Reduced Disclosure Requirements and giving a true and fair view of the financial position and performance of the Company;

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the Australian Charities and Not-for-Profit Commission Regulation 2013.

On behalf of the Directors



Peter Reilly
Director


John Rowan (Oct 26, 2021 09:37 GMT+11)

John Rowan
Director

25 October 2021
Melbourne

This document was electronically signed in accordance with the COVID-19 Omnibus (Emergency Measures) (Electronic Signing and Witnessing) Regulation 2020.

Independent Auditor's Report

To the Members of Able Australia Services

Report on the audit of the financial report

Opinion

We have audited the financial report of Able Australia Services (the Company), which comprises the statement of financial position as at 30 June 2021, 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 financial report of Able Australia Services has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards 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 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 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that 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.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

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.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 25 October 2021

National Office

413 Canterbury Road
Surrey Hills VIC 3127
T: 1300 225 369

Able Australia Services

ABN 83 024 339 234
ACN 005 783 175

info@ableaustralia.org.au
ableaustralia.org.au

