



 **ABILITY**
+ ENTERPRISES
NOT FOR PROFIT SOCIAL ENTERPRISE

ANNUAL REPORT

2022 - 2023

**REAL JOBS
REAL SKILLS
REAL PEOPLE**



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ABOUT ABILITY ENTERPRISES

Ability Enterprises is a work integrated social enterprise (WISE) based in Toowoomba on the beautiful Darling Downs in Queensland.

For over 11 years, Ability has provided full award wage work opportunities to marginalised people in regional Queensland. We work with a wide range of people who have struggled to gain ongoing employment for a range of reasons, and take a person centred approach to assisting our team to re-enter the workforce, gain skills and confidence, and transform their lives.

We do this by delivering commercial services in waste management, cleaning, commercial gardening, mattress recycling, car washing and we have just launched a plastics processing stream. We deliver services in partnership with Federal, State & Local Government and commercial organisations.

PURPOSE

We unlock the door to success through meaningful employment opportunities.

MISSION

We empower our people who have faced employment barriers by providing pathways to real work. Our commitment is to offer individualised support to achieve personal success. Our team delivers high quality commercial services in our region. Real jobs, real skills, real people.

VISION

Ability Enterprises is a trusted and sustainable business delivering outstanding customer service and transforming the lives of countless individuals.

OUR VALUES

- Respect
- Integrity
- Diversity
- Excellence

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REAL SKILLS
REAL PEOPLE



FROM OUR BOARD CHAIR

PHIL GREGORY

Our annual report is a chance to take a moment and reflect on the past 12 months. Whilst every year has its challenges and hopefully its fair share of success, the 2022/2023 financial year has certainly thrown a few hurdles in our way. Fortunately, our management team has not only jumped those hurdles, but they have also gone on to grasp them as opportunities.

Those opportunities have seen our varying services continue to grow and we have been humbled to receive fantastic feedback from our customers. We simply could not help the people we do without our wonderful customers, UniSQ, Newlands, Clifford Park Racing, Carers Qld, QBuild, The Public Trustee, Lockyer Valley Regional Council, and Toowoomba Regional Council. Over the past 12 months we have continued our focus on diversifying our services with mattress recycling, cleaning, car washing, garden maintenance, and gatehouse services.

Whilst we are grateful for every single customer that helps to support our mission, I would like to specifically acknowledge the Toowoomba Regional Council. With the support of both the councillors and the council management team, our long-term relationship with Toowoomba Regional Council provides real work opportunities for our staff. As Ability Enterprises chair, and as a rate payer, I truly believe that our relationship with council is a win for council, a win for our staff, and a win for ratepayers.

There is no doubt that we will continue to deliver on our mission by providing employment opportunities for people who are experiencing barriers to finding meaningful work. In line with this goal, we continue to look for new opportunities that not only meet our mission but do so in a commercially viable way. Over the next financial year, we will accelerate a new venture that aligns with our mission. With the support of Queensland State Development, and generous donations from Qantas and the Westpac Foundation, next year will see Ability Enterprises accelerate a new plastics processing service. Early processing is well advanced, and we expect to be able to provide further detail and grow this service in the first half of 2024.

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FROM OUR BOARD CHAIR

(continued)

From the Board's perspective, I would like to acknowledge Don Carlson, our previous Board chair. Don has been on the Board of Ability since its conception over 11 years ago. Through Don's careful guidance, Ability Enterprises has grown from just an idea into a successful social enterprise. Although Don made the decision to step down from the Board earlier in the year, we do know that he is a committed supporter of Ability Enterprises, and I will continue to seek his counsel.

I would also like to thank our entire Board. My fellow Board members offer their time and share their experience with us because we all believe in Ability Enterprises mission. I value the contribution from every Board member and appreciate healthy debate to ensure the best possible outcomes.

I touched on it earlier that our management team have turned hurdles into opportunities. This would not be possible without the leadership of our CEO Claire Torkington. Claire has provided clear and transparent leadership for our management team and staff. Through Claire's leadership, we have restructured the management team which in turn has provided new opportunities for existing staff. It is comforting to know that our entire senior management team have been promoted from within.

As revealed in the audited accounts, Ability Enterprises is in a robust financial position thanks to the leadership of Claire and her team, with oversight from the Board Risk and Governance (BRAG) committee led by Danny Weidman. We continue to have a healthy balance sheet with the equity in our premises at 1 Tews Court being a significant contributor. Overall, we are in a strong position to meet the challenges ahead.

Whilst there were some hurdles during the financial year, as 2023 begins to wind down, I feel some "calmness" has returned to the organisation and that we are more focused than ever on achieving our mission. The amazing work of the management team and our staff has set us up for a great 2024.



Phil Gregory
Board Chair
Ability Enterprises



FROM OUR CEO CLAIRE TORKINGTON

As mentioned by our Chairperson Phil Gregory, 2022/2023 has certainly been a year of challenges as well as achievements for Ability Enterprises. Whilst new to the role at the time of reporting, I could not be prouder of the team here at Ability Enterprises in the way that all members of our small management team have risen to the challenges, and continued to deliver great service to our clients.

Our clients are a very special group of organisations – ones who recognise that it is possible to receive quality commercial services whilst supporting marginalised people in regional Australia, contributing not only to their well being, but also the well being of the wider community and indeed to the financial health of the local community. We are grateful for the people we work with every day.

This year we have also been privileged to work with some exceptional organisations who support social enterprise both in direct funding and in capacity building. We were extremely happy to be chosen as one of the inaugural participants in the Paul Ramsay Foundation Growth Incubator, delivered in partnership with SEFA. This program saw our management team attending a 9 month program designed to assist 8 amazing Social Enterprises across Australia to work through their business structures and build capacity, whilst developing networks and sharing knowledge. It has been invaluable to the organisation as we have worked through so much change.

Additional support has been provided to Ability Enterprises from the Qantas Regional Grants Program, the Westpac Foundation and Peak2Park. Our philanthropic and corporate supporters allow us to provide the support structures that allow our employees to grow and thrive through the challenges they face, and we remain eternally grateful to each and everyone of them.

FROM OUR CEO

(continued)

We continue to receive strong support from local, state and federal governments. As recognition of the benefits provided by Social Enterprise in the overall economy, we are also very grateful for the support of all levels of government and the ongoing focus on job creation, especially in regional areas. The grants and support programs provided enable us to add to our support offering and to continue to grow the number of roles we can provide.

Like so many not for profit organisations, we are guided by an exceptional Board of Directors, all of whom donate their time because of a deep belief in the people that we serve. I would like to thank each and every one of you for your ongoing support during a challenging year, and look forward to working with you all again during the 2023/2024 year as we undertake some very exciting new projects.

There are too many people to thank individually for their support over the past 12 months, but I would like to call out Kristen O'Brien of OB Media, for her ongoing work on our marketing, communication and social media. Kristen works very hard alongside the team to tell our stories – a critical part of the work we do.

Finally, to the team at Ability Enterprises – whether at our office at Tews Court or our employees out in the field delivering services in waste management, cleaning, gardening, mattress recycling and car cleaning – I salute your courage, your tenacity and your commitment – Ability Enterprises would not exist without you.

Claire Torkington - CEO

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FROM OUR BUSINESS RISK, AUDIT & GOVERNANCE COMMITTEE CHAIR

BUSINESS RISK, AUDIT AND GOVERNANCE COMMITTEE CHAIR REPORT

I am pleased to present the Business Risk Audit and Governance Committee (BRAG), Chair Report for 22/23.

Ability Enterprises is a social enterprise underpinned by a solid business foundation incorporating financial, governance and strategic management. The aforesaid foundations have served us well allowing Ability Enterprises to work through challenges this year, and emerge in a solid financial position ready for growth.

Our Contract with Toowoomba Regional Council, Waste Diversion, mattress recycling and site maintenance continues to be a mainstay of our business. We would like to thank Toowoomba Regional Council for their continued support of Ability Enterprises.

Our commercial cleaning arm of the business has seen a reduction this year, in line with the slowing down of Covid Cleans, however new contracts have been won, and this business will continue to grow again in the 2023/2024 year.

The growth of our social enterprise continues to ensure we meet our Mission of “providing sustainable employment opportunities for vulnerable people” this year seeing our staffing numbers at around 65. Strong business acumen combined with strong focus on measured business growth has seen us sustain a solid level of income at \$3.29 million, with contract revenue at \$2.8 million and other income at approximately \$420k.

In line with our strategic plan to reinvest and grow job opportunities, net profit is reduced for the year, as a result of high level of investment in preparation for new business streams in the 23/24 financial year.

I would like to take this moment to thank out stakeholders who have supported Ability Enterprises during this financial year: Toowoomba Regional Council; QBuild; Carers Queensland; Newlands Group; The Public Trustee; Yellowbridge; Clifford Park Racecourse; Queensland State Government and The Australian Government.

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BUSINESS RISK, AUDIT AND GOVERNANCE COMMITTEE CHAIR REPORT

(continued)

I would also like to thank the Westpac Foundation and The Paul Ramsay Foundation for their philanthropic support of Ability Enterprises.

Looking forward FY23/24 will see further innovation and the growth of services for Ability Enterprises.

Key Financial Figures 22/23

	22/23		21/22	
Profit & Loss	Net Profit	\$258,600	Net Profit	\$615,323
Balance Sheet	Net Assets	\$2,287,819	Net Assets	\$2,029,219

Our Business Risk Audit and Governance Committee (BRAG) continues to meet on a monthly basis to review all facets of the business under their charter and report back to the Board of Directors. The BRAG will continue to assess and consider any new business opportunities balancing our corporate responsibilities of Risk -v- Growth.



Danny Wiedman
Chair, Business Risk Audit and Governance Committee

OUR BOARD OF DIRECTORS

Ability Enterprises is fortunate to have an extremely generous Board of Directors that each bring with them skills and experience in an array of different areas. The collective diversity of our Board of Directors ensures strong governance across every facet of our enterprise.

The Board of Directors hold great responsibility in the longevity and sustainability of Ability Enterprises, they achieve this through clear leadership, strategic planning and risk management. They also ensure that Ability Enterprises continues to operate within our Mission and adheres to our Values.



Phil Gregory

Board Chair - Member Finance & Risk Committee

Phil joined the Ability Enterprises Board in 2020. Phil is well known within the Toowoomba business community having previously served on the boards of the Toowoomba Chamber of Commerce, Southern Queensland Country Tourism and the Jondaryan Woolshed. Phil has had a diverse business career starting in the manufacturing sector, then moving into the construction sector, aviation, and is now with Darling Downs Health as Director of Projects, Property, and Planning. Phil brings to Ability Enterprises large corporate experience having worked in senior roles with the Toowoomba Foundry, Wagners, Boral, Wellcamp Airport, and now Queensland Health.



Daniel Wiedman

Director - Business Risk, Audit & Governance Committee Chair

Danny joined the Ability enterprises Board in 2013. Danny has a well rounded approach to business, developed through his dedication across several varied industries, and administrative positions for local scouting and sporting groups and school boards over the past 40 years. Danny has a personal interest in the success of Ability Enterprises as a venture supporting persons with barriers to employment, as one of his grandsons has Cerebral Palsy.



Joy Mingay

Director

Joy joined the Ability Enterprises Board in 2019. With an experienced background in business and recruitment, she has a deep understanding and respect for all aspects of small business operations. Joy maintains a strong commitment to community in her role as Director on the Board of Lifeline Darling Downs & Director on the Board of the Western Clydesdales RLFC. Joy is also well known for her nine-year contribution to the Toowoomba Chamber of Commerce, including in her role as President from 2015 to 2019.

OUR BOARD OF DIRECTORS



Erin Kehoe-O'Shea

Director

Erin joined the Ability Board in 2020. Erin is an experienced marketing and events professional with over 15 years working with a range of Toowoomba-based companies in a variety of industries. With a passion for community organisations, Erin regularly volunteers with a number of community groups and is motivated to help members of the community live happy, healthy, and fulfilling lives.



Ged Brennan

Director

Ged joined the Ability Enterprises Board in 2020. Ged brings a vast 30 years professional experience in State and Local Government consulting firms and is passionate to see the ongoing growth and development of community, sustainable resources and development pathways. Today, Ged is Managing Director of GenEng, a local engineering consulting firm in Highfields delivering professional engineering services to the civil infrastructure, construction and resource sectors throughout Queensland.



Gary Love

Director

Gary was Director/ Manager GC Event Hire, a position he held for 28 years, working in the event industry in Toowoomba & SE Qld. A passionate believer in keeping business local, advancing, and supporting the local community. Gary is a past VP of the Toowoomba Chamber of Commerce. Gary also served as a member of Carnival of Flowers Advisory Committee, an event he still has a keen interest in. Gary believes that everyone deserves the chance to find employment and succeed in life. As it is the mission of Ability Enterprises to assist vulnerable individuals with placement, training and growth, Gary feels privileged to be a part of that journey.



Laura Scurr

Director

Laura joined the Ability Board in 2023. An administration advisor who runs her own successful business, and a tireless advocate for those in our community experiencing disabilities, Laura has had a long association with Ability Enterprises. When asked what her favourite part of the role is, she is quick to reply. "The fact that we offer opportunities to those facing barriers to employment, real jobs, for real people, with real pay. Respect is everything in the workplace".

OUR MANAGEMENT TEAM

Our experienced Management Team are committed to the success of Ability Enterprises. A cohesive group of professionals with a strong focus on innovation, team support and social good, guarantees our operations run smoothly and efficiently 365 days a year.



Katies Mathews
Head of Finance, HR
& Governance



Michael Gregory
Head of Operations, WHS
& Business Development



Molly Herbert
Project Officer



Jullene Capewell
TRC - Waste Operations
Supervisor



Emily Marino
Operations Coordinator



Cheryl McGrath
Finance & HR
Administrator



Lucy Adams
Admin Assistant



OUR STATS

103 STAFF HAVE BEEN EMPLOYED WITH US THIS YEAR

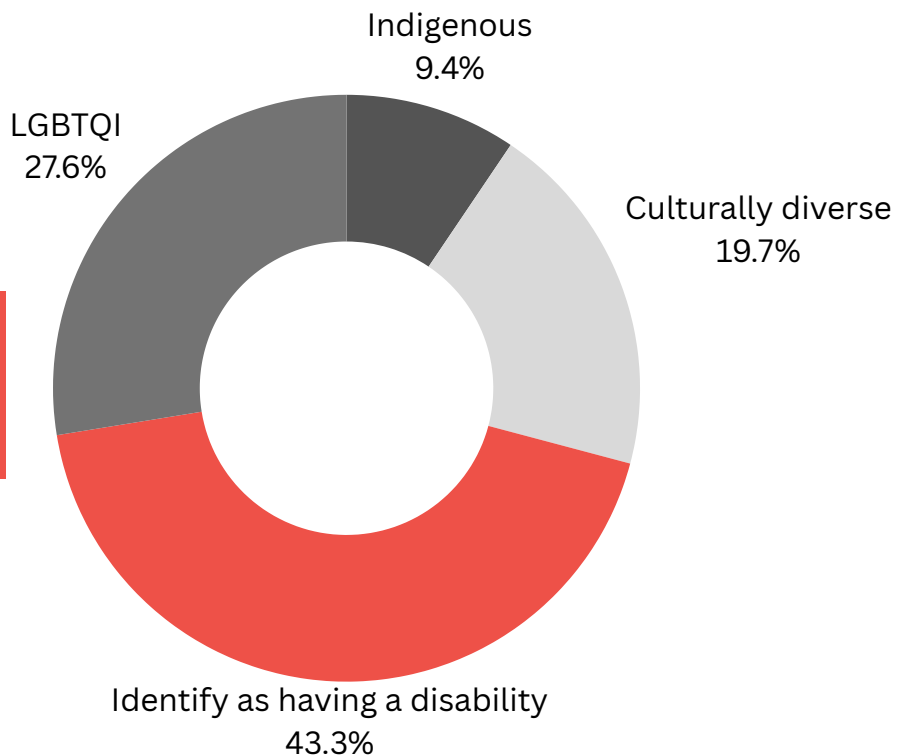
463 STAFF HAVE BEEN EMPLOYED WITH US SINCE WE OPENED



\$9,312,636 AWARD WAGES PAID SINCE ABILITY ENTERPRISES OPENED OUR DOORS IN 2012

WHO WORKS FOR ABILITY ENTERPRISES

40% OF OUR STAFF ARE MATURE AGE EMPLOYEES 45+



(NOTE: Chart adds to more than 100% due to intersectionality)

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OUR PEOPLE

This year our employees delivered services across waste management, cleaning, gardening, mattress recycling, car washing and we saw the start up of our very exciting plastic repurposing work. We hope to expand our work in all these areas in 2023/2024.

Of course, none of our services could be delivered with our employees. We could talk about our people for hours – and the courage they display daily. For some of our staff, this is their first chance for stable, full award wage work. For others, it's the first time they have felt comfortable in a workplace, knowing they will be valued for who they are.

Unlike a lot of Social Enterprises, we don't have a "throughput" model. Our staff are welcome to stay. We are however still very proud of the 15% of staff who have gone onto other employment.

Rather than us talk about them – on the next page you will find some stories from our staff about their experience at Ability Enterprises.

“We could talk for hours about the courage our people display daily”



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SOME OF OUR TEAM STORIES



Shell

Working with a young crew at Ability Enterprises is one of the things I love about my job, they ask a lot of questions, and they keep me on my toes. The team is great, unreal. I never would have thought 15 months ago when I started here that I would be loving this job so much. I have done a bit of everything since I've been here. I started in the cleaning team, I used to like the night office cleans best for the peace and quiet. Now I work with the garden crew which is where I have had the chance to complete my Cert 3 in Horticulture. This is a big milestone for me, I worked hard to complete it over 5 months, and I am so proud to have that qualification. I love the stability of my job here too; it gives me some security for the future. I can be myself at Ability Enterprises, and that's the thing that means the most to me.

“I can be myself at Ability Enterprises and that means the most to me”

Paddy

If you ask him how his day is going Paddy's standard response is “living the dream”. His zest for life and good humour is so infectious it's no wonder Paddy is a bit of a legend here at Ability Enterprises. Our longest serving team member; Paddy started work with Ability over 10 years ago, just after our Social Enterprise was founded.

During that time he has worked in many roles but these days you will find Paddy in charge of the Gatehouse at the Crow's Nest Waste Facility. If you are out that way and get a chance to say G'day you can be sure he will have a cracking yarn to tell you. Paddy's life story is nothing short of remarkable. Before coming to Australia Paddy's career as a seaman took him to some of the most far-flung places across the globe. “I love talking to the locals” Paddy says is one of the best parts of his job.



**REAL JOBS
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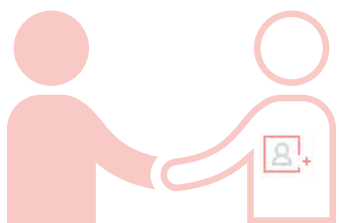
OUR PARTNERS

As a WISE (Work Integrated Social Enterprise) – none of what we do would be possible without the partnerships with government and corporate organisations who support us by appointing us to deliver on commercial contracts. These contracts allow us to continue to advance employment opportunities for people who in the past may have faced barriers to full award wage employment.

Many of our employees have now worked across a range of services for our partners, including waste management, cleaning, gardening, mattress recycling and car washing. This allows them to grow and develop in the workforce. They obtain new skills, qualifications and confidence as they work.

Huge thanks to the following businesses, government bodies at all levels and membership groups which have worked with us in various ways during 2022/2023 – Toowoomba Regional Council Waste Management, Lockyer Valley Regional Council Waste Management, Department of State Development, Infrastructure, Local Government and Planning, UniSQ, Qantas Regional Grants, The Paul Ramsay Foundation, SEFA, The Westpac Foundation, BDO, Newlands, QBuild, Carers Queensland, Catholic Care, Uniting Care, The Public Trustee, Clifford Park Racecourse, The Goondiwindi Races, Peak2Park, TSBE, The Toowoomba Chamber of Commerce, Social Traders, Grand Central Shopping Centre and OB Media.

Thanks also to the Toowoomba Social Enterprise Network, revitalised this year via the CQ University iActivate Program, which has seen a group of varied Social Enterprises working together to exchange ideas and look to develop partnerships that will see greater employment opportunities in our sector going forward – the group includes Vanguard Laundry, Base Services, 2nd Shot, The Karma Collective, Concinnity, Adapt Mentorship, Catering People, The Inclusive Counselling Collective, Yellowbridge and more. Working together, we have an extremely strong Social Enterprise ecosystem in Toowoomba and the Darling Downs.



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2022/23 AUDITED FINANCIALS

Ability Enterprises Limited

ABN 65 152 244 838

Financial Statements

For the year ended 30 June 2023

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Directors Report

30 June 2023

The directors present their report, together with the financial statements, on the company limited by guarantee for the year ended 30 June 2023.

Directors

The following persons were directors of the company limited by guarantee during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Donald Carlson (resigned 24/4/2023)
- Daniel Wieldman
- Joy Mingay
- Gerard Brennan
- Phillip Gregory
- Erin Kehoe-O Shea
- Gary Love
- Laura Scurr (appointment 12/5/2023)

Operating Result

The surplus of the company for the financial year ended 30 June 2023 was \$258,600 (2022 surplus \$615,323). The reduction in surplus was anticipated with the requirement for expenditure as co-contribution to the plastics processing project as per the strategic plan.

Principal Activities

The principle activity of Ability Enterprises Ltd during the financial year was to provide contracted services to Toowoomba Regional Council, QBuild, Newlands Group and other commercial organisations.

There has been substantial reduction in the cleaning arm of the business due to the reduction in Covid Cleaning and the closure of the Quarantine Facility at Wellcamp.

Short Term Objectives

The Company's short-term objectives are to:

- Provide meaningful, secure, employment opportunities to marginalised people through the management of commercial contracts;
- Develop and implement a new plastics processing business;
- Develop new business models which are sustainable and scalable, and:
- Continue to compete in the commercial arena, delivering a quality service to a high standard.

Long Term Objectives

The Company's long-term objectives in line with our 5-year strategic plan are to:

- Identify and grow suitable, commercially viable and sustainable business opportunities which will allow Ability Enterprises to increase our existing workforce offering employment to those who identify with our mission: and,
- Increase our geographic footprint across the Darling Downs area.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Purchase and deployment of new equipment in partnership with government;
- Improvement of premises to meet the new business needs;
- Capitalise on our strong reputation and present a clear and consistent message to our partners about who we are and what we do;

Directors Report

30 June 2023

Strategy for achieving the objectives (continued)

- Work collaboratively to increase community understanding and awareness, and to continue to advance employment opportunities for marginalised people facing barriers to employment; and
- Investigate business opportunities in identified industries projected for future growth.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Preparing the premises and installing the machinery to operate the new plastics business; and
- Actively seeking opportunities to value add to partnerships and business opportunities through innovative business practices.

Members' guarantee

Ability Enterprises Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members, subject to the provisions of the company's constitution. At 30 June 2023 the collective liability of members was \$100 (2022: \$100).

Indemnifying Office or Auditor

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 company.

Proceedings on Behalf of the Company

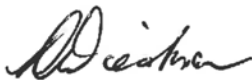
No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditors Independence

The auditors independence declaration is set out on the page immediately following and forms part of the directors report for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors:



Director

Date 18-01-2024.

Ability Enterprises Limited

ABN 65 152 244 838

Auditors Independence Declaration

30 June 2023

As the auditor for Ability Enterprises Limited for the year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditors independence requirements set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect to Ability Enterprises Limited.



Jessica Galvin

Registered Company Auditor 476815

Dated 17 January 2024

Statement of Profit and Loss and Other Comprehensive income
For the year ended 30 June 2023

	Notes	2023	2022
		\$	\$
Revenue	2	2,873,902	3,058,315
Other Income	2	417,666	232,561
Employee benefits expense	3	(2,520,052)	(2,270,418)
Depreciation expense		(66,729)	(57,930)
Finance Costs		(13,299)	(19,428)
Other Operating Expenses		<u>(432,888)</u>	<u>(327,777)</u>
Surplus before income tax expenses		258,600	615,323
Income tax expense		-	-
Surplus after income tax expense		258,600	615,323
Other comprehensive income		-	-
Total comprehensive income		258,600	615,323

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2023

	Notes	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	4	234,494	595,427
Trade and other receivables	5	140,801	240,584
Other assets	6	18,006	19,987
<i>Total current assets</i>		<u>393,301</u>	<u>855,999</u>
Non-Current Assets			
Property, plant and equipment	7	2,628,811	1,533,013
Other assets		-	22,869
<i>Total non-current assets</i>		<u>2,628,811</u>	<u>1,555,882</u>
Total Assets		3,022,112	2,411,881
Current Liabilities			
Trade and other payables	8	54,476	67,230
Borrowings	9	573,157	192,260
Provisions	10	85,514	90,044
<i>Total current liabilities</i>		<u>713,147</u>	<u>349,534</u>
Non-Current Liabilities			
Provisions	10	21,146	33,127
<i>Total non-current liabilities</i>		<u>21,146</u>	<u>33,127</u>
Total liabilities		734,294	382,661
Net assets		2,287,819	2,029,219
Equity			
Retained surplus		<u>2,287,819</u>	<u>2,029,219</u>
Total equity		2,287,819	2,029,219

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2023

	Retained Surplus	Total
	\$	\$
Balance as at 1 July 2021	1,413,896	1,413,896
Surplus after income tax expense for the year	615,323	615,323
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	2,029,219	2,029,219
Balance as at 30 June 2022	2,029,219	2,029,219
Balance as at 1 July 2022	2,029,219	2,029,219
Surplus after income tax expense for the year	258,600	258,600
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the period	2,287,819	2,287,819
Balance as at 30 June 2023	2,287,819	2,287,819

The accompanying notes form part of these financial statements.

Statement of Cash Flows
 For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		3,415,295	3,207,812
Payments to suppliers		(2,982,204)	(2,623,386)
Interest received		907	1,391
Finance Costs		(13,299)	(19,428)
Net cash provided by/ (used in) operating activities	11	420,699	566,389
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,162,528)	(1,398,410)
Net cash provided by/ (used in) investing activities		(1,162,528)	(1,398,410)
Cash flows from financing activities			
Proceeds from borrowings		459,504	812,500
Repayment of borrowings		(78,606)	(661,236)
Net cash provided by/ (used in) financing activities		380,898	151,264
Net increase/ (decrease) in cash and cash equivalents		(360,933)	(680,759)
Cash and cash equivalents at the beginning of the financial year		595,427	1,276,186
Cash and cash equivalents at the end of the financial year	4	234,494	595,427

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies

These financial statements cover Ability Enterprises Limited as an individual entity. The financial statements are presented in Australian dollars, which is Ability Enterprises Ltd functional and presentation currency. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations Adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Current/ Non-Current Classification

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

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

a) Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

a) Revenue (continued)

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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

Rendering of Services

Recognition of revenue in relation to rendering of services depends on whether the outcome of the services can be measured reliably. If this is the case, then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured, then revenue is recognised to the extent of expenses recognised that are recoverable.

b) Property, Plant and Equipment

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

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

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

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Buildings	2.5%
Plant and Equipment	20% to 37.50%
Motor Vehicles	22.50% to 25 %

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

c) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the financial instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- Amortised cost
- Fair value through profit or loss (FVPL)

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.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised Cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and,
- the contractual terms give rise on specified dates to cash flows are solely payments principal and interest on the principal amount outstanding.

After initial recognition, 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.

Impairment of Financial Assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost; and
- contract assets.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

c) Financial Instruments (continued)

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The financial liabilities of the Company comprise of trade and other payables, and bank loans.

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

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.

d) Impairment of Assets

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

e) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (continued)

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

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (as at 30 June 2023 10.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

g) Trade and Other Receivables

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

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

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

h) 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.

i) Income Tax

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

j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

k) Comparative Figures

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

l) Critical Accounting Estimates and Judgements

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

Useful lives of property, plant, and equipment

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

l) Critical Accounting Estimates and Judgements (continued)

Key Judgements

(i) Performance obligations under AASB 15

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

(ii) Employee benefits

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

m) Economic Dependence

Ability Enterprises Limited is dependent on the Toowoomba Regional Council (TRC), for the majority of its revenue used to operate the business. At the date of this report the Board of Directors have no reason to believe that TRC will not continue to support the Company, the present contract extends to 2025.

n) Fair Value of Assets and Liabilities

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1: Significant Accounting Policies (continued)

n) Fair Value of Assets and Liabilities (continued)

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

Note 2. Revenue	2023	2022
	\$	\$
Contract Revenue	2,873,902	3,058,315
Grant Revenue	137,170	140,600
Donations	250,000	5,000
Other Sundry Income	30,496	86,961
	<u>417,666</u>	<u>232,561</u>
Total Revenue	<u>3,291,567</u>	<u>3,290,875</u>
Note 3. Employee Benefits Expense		
Wages and Salaries	2,294,951	2,089,893
Other Employee Costs	(16,511)	(15,344)
Workers Compensation	271	(14,652)
Staff Training	3,908	4,561
Superannuation Contributions	237,433	205,959
Total Employee Expenses	<u>2,520,052</u>	<u>2,270,418</u>
Note 4. Cash and Cash Equivalents		
Cash at Bank	234,494	545,427
Deposits at Call	-	50,000
	<u>234,494</u>	<u>595,427</u>
Note 5. Trade and Other Receivables		
Trade Receivables	104,494	202,760
Security Deposit	36,307	307.00
Accrued Income	-	1,517
Total Trade and Other receivables	<u>140,801</u>	<u>240,584</u>
Note 6. Other Assets		
Prepayments	17,940	19,591
Prepaid Borrowing Costs	66	396
	<u>18,006</u>	<u>19,987</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 7. Property, Plant and Equipment	2023	2022
<i>Property, plant and equipment</i>	\$	\$
Property (at cost)	1,816,605	1,288,866
Accumulated Depreciation	(4,712)	-
	<u>1,811,894</u>	<u>1,288,866</u>
Plant and Equipment (at cost)	747,971	113,190
Accumulated Depreciation	(60,557)	(44,302)
	<u>687,414</u>	<u>68,888</u>
Motor Vehicles (at cost)	256,022	256,014
Accumulated Depreciation	(126,518)	(80,755)
	<u>129,503</u>	<u>175,259</u>
Net Property, Plant and Equipment	a <u>2,628,811</u>	<u>1,533,013</u>

a) Reconciliation of Property, plant and equipment

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Written Down Balance at 1 July 2022	1,288,866	68,888	175,259	1,533,013
Additions	527,739	634,781	-	1,162,520
Disposals	-	-	-	-
Depreciation	(4,712)	(16,255)	(45,756)	(66,723)
Balance at 30 June 2023	<u>1,811,894</u>	<u>687,414</u>	<u>129,503</u>	<u>2,628,811</u>

Note 8. Trade and Other Payables	2023	2022
	\$	\$
Trade Payables	6,544	7,816
GST Payable	8,433	21,749
Accrued Expenses	-	4,351
Payroll Liabilities	39,499	33,314
	<u>54,476</u>	<u>67,230</u>

Note 9. Borrowings

Current

Westpac Equipment Finance Loans	3,769	16,573
Loan - 1 Tews Court	569,388	175,688
	<u>573,157</u>	<u>192,260</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 10. Provisions	2023	2022
	\$	\$
<i>Current</i>		
Provision for Annual Leave	65,428	90,044
Provision for Long Service Leave	20,086	-
	<u>85,514</u>	<u>90,044</u>
<i>Non-current</i>		
Provision for Long Service Leave	21,146	33,127
	<u>21,146</u>	<u>33,127</u>
Total Provisions	<u>106,660</u>	<u>123,171</u>

Note 11. Cash Flow Information

Reconciliation of surplus after income tax to net cash from operating activities

Surplus after income tax	258,600	615,323
Non-cash flows in profit:		
- depreciation	66,729	58,884
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	99,785	(62,834)
- (increase)/decrease in other assets	24,849	(18,839)
- (decrease) in trade and other creditors	(12,754)	(3,273)
- (decrease) in annual leave provisions	(16,511)	(22,873)
Net cash provided by operating activities	<u>420,699</u>	<u>566,389</u>

Note 12. Remuneration of Auditors

Audit of the financial statements:

	\$	\$
Shanahan Swaffield Partners	-	9,900
JG Audit & Assurance	9,900	-

Note 13. Key Management Personnel Compensation

Compensation received by executives of the company:	\$	\$
- Short term employee benefits	436,130	539,136

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 14. Related Party Transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

Related parties of key management personnel were employed by Ability Enterprise Limited during the 2023 financial year, and received \$97,592 remuneration collectively.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 15. Contingent Liabilities

The company had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 16. Commitments

Capital commitments committed at the reporting date but not recognised as liabilities:

	2023
	\$
Property, Plant and Equipment	167,720

Commitments relating to grant expenditure are set out in note 17.

The company had no other commitments for expenditure as at 30 June 2023.

Note 17. Events After the Reporting Period

State Funding – Plastics Recycling

A funding agreement was entered into with State of Queensland on 28 July 2023 to establish a plastic recycling program to deliver a sustainable solution to single use plastic waste in medical industry. Total funding to be received by State of Queensland - \$999,910 with the anticipated program cost being \$3,050,899.

Qantas Grant

A funding agreement was entered into in July 2023 with Qantas for the purchase of a plastics colour sorting machine. The grant funding is for \$320,000 with an additional in-kind contra amount of \$160,000.

Toowoomba Regional Council Contract

Correspondence was received on 18th December 2023 that the agreement with Toowoomba Regional Council for waste management services has been extended until 30 June 2025.

No other matters or circumstances have arisen since 30 June 2023 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 18. Principal Place of Business

Principal place of business and registered office is:

Ability Enterprises Limited

1 Tews Court

Wilsonton QLD 4350

Directors' Declaration
For the Year Ended 30 June 2023

In the opinion of the Director's:

- a) The company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached general purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profit Commission Act 2012 and associated regulations to prepare and distribute financial statements to the members of Ability Enterprises Limited;
- b) The attached financial statements and notes comply with the accounting standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;
- c) The financial statements and notes present a true and fair view the company's financial position at 30 June 2023 and of its performance for the financial year ended; and
- d) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the directors



Director

Dated 17.1.24



Director

Dated 17-01-2024.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ABILITY ENTERPRISES LIMITED**

Opinion

I have audited the financial report of Ability Enterprises Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial report of Ability Enterprises Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-Profit Commission Act 2012*, including:

- Giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with the Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-Profit Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Entity in accordance with the ethical requirements of the *Corporations Act 2001* and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporation Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditors report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the financial reporting requirements of the *Australian Charities and Not-for-Profit Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objective is 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 my 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Company.
- Conclude on the appropriateness of the Company's use of the going concern basis or 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's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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 a true and fair view.

I have communicated with the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I may identify during my audit.



Jessica Galvin

RCA Number: 476815

Dated: 17 January 2024

CONTACT US

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