

Financial Report

2022-23



Able Australia Services

ABN 83 024 339 234

Annual Report - 30 June 2023

**Able Australia Services
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30 June 2023**

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General information

The financial statements cover Able Australia Services (Able) as a standalone entity at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Able functional and presentation currency.

Able Australia Services is limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

413 Canterbury Road
Surrey Hills VIC 3127

A description of the nature of the organisation's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 October 2023. The directors have the power to amend and reissue the financial statements.

**Able Australia Services
Directors' report
30 June 2023**

The Directors of Able Australia Services present their report on the organisation for the financial year ended 30 June 2023.

Directors

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

Jenny Smith (Chairperson from 5th June 2023)
Monica Downie (Deputy Chairperson)
Dr Prue Morgan
Bruce McCowan (Resigned 26th June 2023)
John Rowan (Treasurer)
Ro Marks
Peter Reilly (Chairperson until 5th June 2023)
John McKenna

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 2023 was again a challenging year, as we continued to transition out of the COVID-19 pandemic, while working to redress the adverse impacts experienced on our service delivery, most notably to supported independent living and day services. Able was no different to the rest of the sector, with pricing challenges, workforce shortages and increased compliance requirements being the new-normal in this post-pandemic era.

We continued to embed our Strategic Plan for 2022-25, which was developed through extensive consultation with our clients, community, employees and stakeholders, ensuring we have a diverse and rich input into Able's future. Our plan is wholeheartedly based on our brand promise to:

- Deliver better days, every day, with and for our clients and employees;
- Grow for our future; and
- Make the complex simple.

While the pandemic created delays in achieving the growth targets in our previous strategy, significant positive steps have been taken during the year to get back on track and achieve the growth targets in our 2022-25 Strategic Plan. This includes Able welcoming 39 new Supported Independent Living participants and almost 100 new staff in July 2022, as part of a transition of business from another Melbourne-based provider.

Whilst we ended the year with an expected financial deficit, our ambitious growth agenda to provide our high-quality services to more people includes implementing strong initiatives to ensure we work more efficiently and effectively. We are confident we will deliver Able into a sustainable future.

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 2023.

Activities included the operation of a series of long-term residential options, day services, support coordination, community services and transport.

"In-home" and other community-based respite care, emergency care and a support service to people who live in the community were 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 provided deafblind services, representing the interests of people with a combined vision and hearing impairment as a group during the year.

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

Able Australia Services
Directors' report
30 June 2023

Performance measurement

The organisation currently measures its performance including:

- 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.
- Yearly review and re interpretation of Strategic Plan.

Operating Result

The operating loss from ordinary activities amounted to \$3,970,897 [2022: \$4,544,465].

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 deficit of \$3,970,897 after taking into account the net value gain on financial assets.

During the year ended 30 June 2023 funding was provided by the National Disability Insurance Agency, Department of Communities (Queensland), Department of Health and Ageing (Commonwealth), Transport Accident Commission and fundraising from the general public, including bequests, philanthropic trusts and donations.

Our income growth, from the previous financial year, is predominantly due to the welcoming of the 39 new Supported Independent Living participants in July 2022, as part of a transition of business from another Melbourne-based provider.

Cost of living challenges, alongside the well-publicised sector pricing challenges, workforce shortages and increased compliance requirements, have all had a negative impact on our cost base and delivering key initiatives. Pleasingly, the recovery of global markets also had a commensurate impact on Able's investment portfolio.

The Directors are confident that with the growth strategy and key initiatives currently being delivered, and careful cost controls and continuous monitoring, Able's financial position will return to a surplus position consistent with timeline outlined in the strategy and be maintained for the long term.

Significant changes in state of affairs

Peter Reilly resigned as Chairperson on 5th June 2023.

Jenny Smith became Chairperson on 5th June 2023.

On the 11th of July 2022, 39 Supported Independent Living participants and approximately 100 staff transitioned from Melbourne City Mission (MCM) to Able's.

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 2023

Information on directors

Peter Reilly	Treasurer until 28 th June 2021 - Chairperson since 28 th June 2021 to 5 th June 2023, Director since November 2012
Qualifications:	Bachelor of Business Accounting; Associate - the Institute of Chartered Accountants, Registered Tax agent since 1976, Associate of the 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, Chairman of Scotchmans Hill Pty Ltd and Executive Director of Lifeview Residential Care Group.
Committee Membership:	Finance, Audit, Investment & Risk Committee
Meg Downie	Deputy Chairperson since November 2018, Director since July 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:	Chair – People & Engagement Committee Chair – Client Advisory Committee
Dr Prue Morgan	Director since June 2018
Qualifications:	PhD, Master of Applied Science (research), Bachelor of Applied Science (physio), Graduate Diploma 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:	Client Quality & Safeguarding Committee (Chair, since 26 th June 2023)
John Rowan (Treasurer)	Treasurer since 28 th 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:	Chair - Finance, Audit, Investment & Risk Committee People & Engagement Committee

Able Australia Services
Directors' report
30 June 2023

Ro Marks Director since July 2019

Qualifications: Bachelor of Applied Science Recreation, Master of Social Science Human Services, Graduate Diploma Strategic Foresight

Experience: Ro is an experienced senior policy adviser with a 30-year history of working across the social policy spectrum with state, regional and local governments, statutory authorities and not for profit organisations in Victoria and Western Australia. She has a keen understanding of the aged and disability sectors and is committed to strengthening engagement with Able's clients and employees to ensure quality in policy and service outcomes.

Committee Membership: Client Quality & Safeguarding Committee
 Client Advisory Committee

Jenny Smith Director since July 2019 - Chairperson since 5th June 2023

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: Finance, Audit, Investment & Risk Committee

John McKenna Director since April 2021

Experience John has over 60 years of living experience having a physical disability. He has been an Empowerment Advocate for over 30 years. As an Empowerment Advocate John has worked with a range of people and their families. He has a thirst to learn from others including gender diversity and culturally and linguistically diverse (CALD) people and their experiences.

With extensive experience living with a physical disability John was an Advisor during the establishment of the National Disability Insurance Scheme (NDIS). He has a special interest in the significance of developing communication that is accessible for all regardless of their ability and was the Chairman of the Internet Industry Association web Accessibility task force and highlighted the issue of inclusive website accessibility.

Today, John operates his own consulting business 'Better Access Consulting' and is an Honorary Justice of the Peace.

Committee Membership: Client Advisory Committee
 Client Quality & Safeguarding Committee

Bruce McCowan Director since July 2019 - Resignation of Bruce McCowan with effect from 26th June 2023

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 Advisory Services at deliberate practice and is Chair of the White Ribbon Australia Accreditation Panel. 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: Chair - Client Quality & Safeguarding Committee
 Finance, Audit, Investment & Risk Committee

Able Australia Services
Directors' report
30 June 2023

Meetings of directors

During the year, 9 meetings of Board members were held.

Attendees were:

Meetings held (H) whilst a Director and attended (A)	Committees									
	Full Meeting of Directors		Finance, Audit, Investment & Risk		People & Engagement		Client Quality & Safeguarding		Client Advisory	
	H	A	H	A	H	A	H	A	H	A
Peter Reilly	9	8	7	5						
Meg Downie	9	8			2	2			4	3
Dr Prue Morgan	9	9					4	3		
Bruce McCowan	9	7	7	4			4	4		
Ro Marks	9	8					4	3	4	2
John Rowan	9	7	7	5	2	2				
Jenny Smith	9	8	7	7						
John McKenna	9	7					4	4	4	3

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

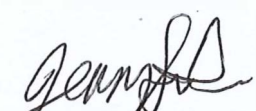
If the organisation is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the organisation.

At 30 June 2023 the number of members was 18 (2022 - 19).

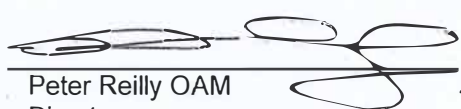
Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 7 of the directors' report.

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


 Jenny Smith
 Director (Chairperson)

23 October 2023
 Melbourne


 Peter Reilly OAM
 Director

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2023, 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 - Audit & Assurance
Melbourne, 23 October 2023

Able Australia Services
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue and Income	4	66,472,635	56,567,088
Expenses			
Employee benefits expense	3	(59,262,241)	(50,626,221)
Depreciation and amortisation expense	3	(2,370,503)	(2,506,756)
Occupancy expenses	3	(82,359)	(39,540)
Telemarketing and mailing expense		(34,230)	(21,417)
House-keeping		(856,867)	(792,601)
Utilities		(698,073)	(592,068)
Transport costs		(969,426)	(925,857)
Agency staff		(581,685)	(153,551)
Other expenses		(5,403,669)	(5,209,931)
Finance costs	3	(184,479)	(243,611)
(Deficit) for the year attributable to the owners of Able Australia Services		(3,970,897)	(4,544,465)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the owners of Able Australia Services		<u>(3,970,897)</u>	<u>(4,544,465)</u>

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 2023

	Note	2023 \$	2022 Restated \$
Assets			
Current assets			
Cash and cash equivalents	6	850,231	3,660,079
Trade and other receivables	7	2,281,901	1,320,748
Prepayments		852,667	901,622
Accrued income	8	737,946	2,194,127
Portable Long Service Leave - Right to Reimbursement	9	286,627	286,235
Total current assets		<u>5,009,372</u>	<u>8,362,811</u>
Non-current assets			
Financial assets	10	12,393,873	11,670,456
Property, plant & equipment	11	13,678,137	14,801,956
Right-of-use assets	12	1,385,636	2,305,942
Intangible assets	13	177,706	194,512
Portable Long Service Leave - Right to Reimbursement	9	104,018	160,069
Total non-current assets		<u>27,739,370</u>	<u>29,132,935</u>
Total assets		<u>32,748,742</u>	<u>37,495,746</u>
Liabilities			
Current liabilities			
Trade and other payables	14	3,089,933	3,204,188
Interest bearing loans and borrowings	15	1,119,905	2,127,380
Lease liabilities	18	832,184	883,855
Provisions - Current	16	7,818,336	6,471,092
Total current liabilities		<u>12,860,358</u>	<u>12,686,515</u>
Non-current liabilities			
Lease liabilities	18	740,394	1,617,121
Provisions - Non-current	17	491,768	564,995
Total non-current liabilities		<u>1,232,162</u>	<u>2,182,116</u>
Total liabilities		<u>14,092,520</u>	<u>14,868,631</u>
Net assets		<u>18,656,222</u>	<u>22,627,118</u>
Members funds			
Reserves		2,069,128	2,069,128
Accumulated surplus		<u>16,587,094</u>	<u>20,557,990</u>
Total members funds		<u>18,656,222</u>	<u>22,627,118</u>

Able Australia Services
Statement of changes in equity
For the year ended 30 June 2023

	Capital reserve \$	Accumulated surplus \$	Total members funds \$
Balance at 1 July 2021	2,069,128	25,102,454	27,171,582
(Deficit) for the year	-	(4,544,465)	(4,544,465)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(4,544,465)	(4,544,465)
Balance at 30 June 2022	<u>2,069,128</u>	<u>20,557,990</u>	<u>22,627,118</u>
	Capital reserve \$	Accumulated surplus \$	Total members funds \$
Balance at 1 July 2022	2,069,128	20,557,990	22,627,118
(Deficit) for the year	-	(3,970,897)	(3,970,897)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(3,970,897)	(3,970,897)
Balance at 30 June 2023	<u>2,069,128</u>	<u>16,587,093</u>	<u>18,656,222</u>

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

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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		2,759,391	7,853,671
Receipt of Government grants		62,822,507	48,392,132
Payments to suppliers and employees		(67,369,358)	(58,519,952)
Dividends received		595,520	683,843
Interest received		17,455	2,761
Finance costs		(184,479)	(243,611)
Net cash used in operating activities	20	(1,358,964)	(1,831,156)
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		12,951	139,554
Payment for property, plant & equipment		(279,442)	(1,376,605)
Proceeds from sale of investments		(221,365)	(298,658)
Payments for intangibles		(8,800)	(74,715)
Cash receipt from acquisition	25	994,161	-
Net cash from/(used in) investing activities		497,505	(1,610,424)
Cash flows from financing activities			
Proceeds from borrowings		(35,452)	345,245
Payment of borrowings		(986,805)	(939,983)
Lease payments for right-of-use assets		(926,132)	(1,129,483)
Net cash used in financing activities		(1,948,389)	(1,724,221)
Net decrease in cash and cash equivalents		(2,809,848)	(5,165,801)
Cash and cash equivalents at the beginning of the financial year		3,660,079	8,825,880
Cash and cash equivalents at the end of the financial year	6	<u>850,231</u>	<u>3,660,079</u>

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

Able Australia Services
Notes to the financial statements
30 June 2023

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 – Simplified Disclosures, and complies with other requirements of the law.

The financial report of Able Australia Services complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) as applicable to not for profit entities. Due to the application of Australian specific provisions contained only within AIFRS, this financial report is not necessarily compliant with International Accounting Standards.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012 as appropriate for not for profit oriented entities.

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 are listed below.

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the organisation:

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

Class of Property Plant and Equipment	Depreciation Rate	Method
Buildings	3% - 10%	Straight Line
Freehold improvements	3% - 17%	Straight Line
Leasehold improvements	3% - 17%	Straight Line
Motor vehicles	20% - 23%	Straight Line
Plant & equipment	10%	Straight Line
Computer equipment	33% - 100%	Straight Line

Note 1. Significant accounting policies (continued)

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).

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

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.

Note 1. Significant accounting policies (continued)

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 are not reliable on peppercorn leases and their future existence present no threat to the future operations of the business.

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 2020 the Company commenced making contributions for certain eligible employees to Victoria's new portable long service leave scheme, pursuant to the *Long Service Benefits Portability Act 2018*. A levy of 1.65% of eligible salaries is paid to the Portable Long Service Leave Authority.

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.

Note 1. Significant accounting policies (continued)

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

Goods and services tax

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

- 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
- 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

Note 1. Significant accounting policies (continued)

Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business operations and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at and for the year ended 30 June 2023 the Company reported a deficit of \$3,970,897 and cash outflows from operating activities of \$1,358,964 and a deficiency in current assets of \$7,850,986.

At the date of this report and having considered the operating result and deficiency in current assets, the directors are confident that the Company will be able to continue as a going concern due to the following factors;

- Included in non-current assets are highly liquid financial assets with a market value at 30 June 2023 of \$12,393,873.
- Included in current liabilities at 30 June 2023 are employee provisions of \$7,818,336, the majority of which will not require a cash outflow within the next 12 months.
- The Company has committed to a strategy to grow its operations and improve operating performance which anticipates a return to an operating surplus position within 3 years. The actual results for the 2024 year to date are tracking to plan.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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.

Business combinations

The acquisition method of accounting is used to account for business combinations.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred or liabilities incurred by the acquirer to former owners of the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the organisation assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the organisation's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 1. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired and liabilities assumed and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Restatement of comparatives

Reclassification

In the last 4 financial periods, multiple state legislatures have introduced portable long service leave schemes, whereby a levy is paid to the Portable Long Service Leave Authority allowing for employees to continue to accrue long service leave upon transition from employer to employer to encourage employee retention within the community services sector. Historically management have recorded the portable LSL liability on a net basis under the provisions financial statement line. In the current year, management have made the election to adopt a policy whereby a corresponding Portable LSL asset is recognised for the LSL that employees accrue, where the Company would be able to claim back any LSL that is paid out to Employees. As such the below prior year reclassification has been made.

Portable Long Service Leave – Right to Reimbursement

	2022 Financials \$	Adjustment \$	2022 Restated \$
Right to Reimbursement – Current	-	286,235	286,235
Right to Reimbursement – Non-Current	-	160,069	160,069
	-	446,304	446,304

Employee Provisions

	2022 Financials \$	Adjustment \$	2022 Restated \$
Provisions – Current	6,184,857	286,235	6,471,092
Provisions – Non-Current	404,926	160,069	564,995
	6,589,783	446,304	7,036,087

Note 3. Deficit for the year

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

	2023	2022
	\$	\$
Borrowing costs - other	83,428	102,546
Interest expense on leases	101,051	141,065
Finance costs	<u>184,479</u>	<u>243,611</u>
Depreciation of property, plant and equipment	1,426,853	1,392,229
Amortisation of intangible assets	25,606	18,393
Depreciation of right-of-use assets	<u>918,044</u>	<u>1,096,134</u>
	<u>2,370,503</u>	<u>2,506,756</u>
Employee benefits - wage and salaries	54,005,031	46,379,425
Employee benefits - superannuation contributions	<u>5,257,210</u>	<u>4,246,796</u>
Employee benefits expense	<u>59,262,241</u>	<u>50,626,221</u>
Rental expense for short-term and low-value leases	82,359	39,540

Note 4. Revenue and Income

	2023	2022
	\$	\$
<i>Revenue recognised at a point in time:</i>		
Federal and State Government funding	61,558,616	49,725,481
Other revenue including fees, training courses etc	3,148,420	5,774,837
Gain on Acquisition	40,017	-
Other grants	<u>20,000</u>	<u>231,849</u>
	<u>64,767,053</u>	<u>55,732,167</u>
<i>Other income:</i>		
Fundraising	540,543	568,696
Wills & bequests	13,471	571,151
Interest received	17,455	2,761
Dividends received	595,520	683,843
Gain on sale of property, plant and equipment	36,541	23,941
Fair value movement of financial assets at FVPL	<u>502,052</u>	<u>(1,015,471)</u>
	<u>1,705,582</u>	<u>834,921</u>
Revenue and Income	<u><u>66,472,635</u></u>	<u><u>56,567,088</u></u>

Note 5. Auditor's remuneration

	2023	2022
	\$	\$
Remuneration of the auditor of the Company		
Auditing the financial report	<u>53,700</u>	<u>52,700</u>
Tax Compliance	-	8,000
Preparation of the Financial Statements	5,500	5,000
Payroll Review Services	<u>65,000</u>	<u>-</u>
	<u>70,500</u>	<u>13,000</u>

Note 6. Cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	9,749	12,215
Cash and cash equivalents	<u>840,482</u>	<u>3,647,864</u>
	<u><u>850,231</u></u>	<u><u>3,660,079</u></u>

Note 7. Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	1,924,543	1,122,783
Less: Allowance for expected credit losses	<u>(102,062)</u>	<u>(89,786)</u>
	<u>1,822,481</u>	<u>1,032,997</u>
Other receivables	<u>459,420</u>	<u>287,751</u>
	<u><u>2,281,901</u></u>	<u><u>1,320,748</u></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

	2023	2022
	\$	\$
NDIA income	579,124	2,098,747
Other income	<u>158,822</u>	<u>95,380</u>
	<u><u>737,946</u></u>	<u><u>2,194,127</u></u>

Note 9. Portable Long Service Leave - Right to Reimbursement

	2023	2022
	\$	\$
Portable Long Service Leave - Right to Reimbursement – Current	286,627	286,235
Portable Long Service Leave - Right to Reimbursement – Non-Current	<u>104,018</u>	<u>160,069</u>
	<u><u>390,645</u></u>	<u><u>446,304</u></u>

Note 10. Financial assets

	2023	2022
	\$	\$
Financial assets at held at Fair Value Through Profit and Loss (FVTPL)	<u>12,393,873</u>	<u>11,670,456</u>

Financial assets consist of investments in equity instruments.

The listed ordinary shares have been valued based on their quoted market prices in active markets.

Able Australia Services
Notes to the financial statements
30 June 2023

Note 11. Property, plant & equipment

	2023 \$	2022 \$
Land and Buildings - Freehold land at Cost	2,903,222	2,903,222
Buildings - at cost	10,187,438	10,040,855
Less: Accumulated depreciation	(2,701,922)	(2,404,778)
	7,485,516	7,636,077
Leasehold improvements - at cost	1,459,966	1,426,367
Less: Accumulated depreciation	(463,673)	(362,308)
	996,293	1,064,059
Plant and equipment - at cost	3,090,560	2,882,987
Less: Accumulated depreciation	(2,260,847)	(1,961,471)
	829,713	921,516
Motor vehicles - at cost	3,565,790	3,652,659
Less: Accumulated depreciation	(2,102,397)	(1,433,768)
	1,463,393	2,218,891
Capital Work in Progress - at cost	-	58,191
Total Property, Plant & Equipment	13,678,137	14,801,956

(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 2022	2,903,222	7,636,077	1,064,059	921,516	2,218,891	58,191	14,801,956
Additions	-	14,852	-	157,450	-	107,140	279,442
Disposals	-	-	-	-	(26,532)	-	(26,532)
Transfers in/(out)	-	131,731	33,600	50,123	-	(165,331)	50,123
Depreciation expense	-	(297,145)	(101,366)	(299,376)	(728,966)	-	(1,426,853)
Balance at 30 June 2023	2,903,222	7,485,515	996,293	829,713	1,463,393	-	13,678,137

Able Australia Services
Notes to the financial statements
30 June 2023

Note 12. Right-of-use assets

	2023 \$	2022 \$
Property	3,760,282	4,291,058
Less: Accumulated depreciation	(2,477,740)	(2,223,107)
	1,282,542	2,067,951
Vehicles	72,503	170,692
Less: Accumulated depreciation	(33,860)	(83,639)
	38,643	87,053
IT Equipment - right-of-use	385,944	643,443
Less: Accumulated depreciation	(321,493)	(492,505)
	64,451	150,938
	1,385,636	2,305,942

The organisation leases vehicles, properties and IT Equipment under agreements of between 1 to 9 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 13. Intangible assets

	2023 \$	2022 \$
Software - at cost	261,926	253,126
Less: Accumulated amortisation	(84,220)	(58,614)
Total Software	177,706	194,512

(a) Movements in carrying amounts

	2023	2022
Balance at 1 July	194,512	101,403
Amortisation	(25,606)	(18,393)
Additions	8,800	111,502
Balance 30 June	177,706	194,512

Note 14. Trade and other payables

	2023 \$	2022 \$
Trade payables	1,502,197	1,615,127
Sundry creditors and accrued expenses	1,263,655	1,052,689
Contract liabilities	324,081	536,372
	3,089,933	3,204,188

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.

Able Australia Services
Notes to the financial statements
30 June 2023

Note 15. Interest bearing loans and borrowings

	2023 \$	2022 \$
Corporate Credit Card	-	7,336
Bank Loan – Secured	8,851	7,160
Nissan Finance Loan	1,111,054	2,112,884
	<u>1,119,905</u>	<u>2,127,380</u>

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

Motor vehicles purchased with finance	1,463,393	2,218,890
Freehold land and buildings	10,388,737	10,539,300

Note 16. Provisions - Current

	2023 \$	2022 Restated \$
Employee benefits	<u>7,818,336</u>	<u>6,471,092</u>

Note 17. Provisions - Non-current

	2023 \$	2022 Restated \$
Employee benefits	<u>491,768</u>	<u>564,997</u>

Note 18. Lease liabilities

Lease Liabilities		
Current	832,184	883,855
Non-Current	<u>740,394</u>	<u>1,617,119</u>
	<u>1,572,578</u>	<u>2,500,974</u>

Future lease payments

Future lease payments are due as follows:		
Within one year	968,060	975,460
One to five years	864,815	1,725,272

Note 19. Commitments

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

	2023 \$	2022 \$
Not later than one year	<u>29,754</u>	<u>26,777</u>

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

Able Australia Services
Notes to the financial statements
30 June 2023

Note 19. Commitments (continued)

(b) Capital expenditure commitments

	2023	2022
Not later than one year	269,269	271,132

Note 20. Cash flow information

	2023 \$	2022 \$
Reconciliation of cashflow from operations with (deficit)/surplus for the year		
Deficit for the year	<u>(3,970,897)</u>	<u>(4,544,465)</u>
Non-cash flows in profit from ordinary activities:		
Depreciation and amortisation	2,370,503	2,506,756
Net (gain) on disposal of property, plant and equipment	(36,541)	(23,941)
(Gain)/loss on fair value through profit or loss on investments	(502,052)	1,015,471
Gain on acquisition	(40,017)	-
Employee costs associated with acquisition	<u>(8,504)</u>	<u>-</u>
	<u>1,783,390</u>	<u>3,498,286</u>

Changes in assets and liabilities

(Increase)/Decrease in assets:		
Trade receivables	(943,042)	938,986
Other assets	1,505,133	(1,706,095)
Increase/(Decrease) in liabilities:		
Trade payables	(341,940)	22,028
Provisions	<u>608,392</u>	<u>(39,896)</u>
Net cash (used in) / from operations	<u>(1,358,964)</u>	<u>(1,831,156)</u>

Note 21. Remuneration of directors

Compensation

All Able Australia Services Directors served in an honorary capacity.

Note 22. Company details

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

Able Australia Services
413 Canterbury Road
Surrey Hills Victoria 3127

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 2023 the number of members was 18 (2022 - 19).

Note 23. Contingent liabilities

No contingent liabilities exist as at 30 June 2023.

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 24. 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:

	2023 \$	2022 \$
Total Key Management Personnel remuneration	<u>1,421,473</u>	<u>1,631,944</u>

Note 25. Business combinations

During the financial year and effective from 11 July 2022, the Company acquired certain business assets associated with a Supported Independent Living business unit. Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	994,161
ROU Assets - Motor Vehicles	72,503
Annual Leave	(359,244)
Long Service Leave	(362,041)
Purchased Leave	(6,080)
RDO's	(2,423)
Funding Received in Advance	(224,356)
Lease Liability	(72,503)
Acquisition-date fair value of the total consideration transferred / Gain on Acquisition	<u>40,017</u>

Note 26. Events after the reporting period

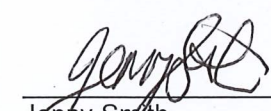
No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the organisation's operations, the results of those operations, or the organisation's state of affairs in future financial years.

The directors declare that:

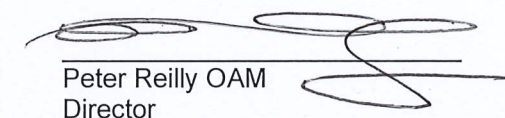
- In the director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the attached financial statements and notes give a true and fair view of the Able Australia Services' financial position as at 30 June 2023 and of its performance for the financial year ended on that date; 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 - Simplified Disclosures, 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-Profits Commission Regulations 2022 (Cth).

On behalf of the Directors


 Jenny Smith
 Director (Chairperson)

23 October 2023
 Melbourne


 Peter Reilly OAM
 Director

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 "Registered Entity") which comprises the statement of financial position as at 30 June 2023, and 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 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 Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 (including Independence Standards)* (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.

Other information

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 2023, 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 – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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, 23 October 2023

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