

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

Directors' Report

Your Directors present their report on the Company for the financial year ended 30 June 2022

Directors

The Directors at any time during or since the end of the financial period are:

Name and Qualifications	Experience and Special Responsibilities
Glenn Ball (President)	Masters of Management, Masters of Science, Coaching Psychology; registered nurse with a Diploma of Applied Science (Nursing), Bachelor of Nursing.
Warren Dawes (Treasurer)	Bachelor of Economics, maj. Economics, Accounting & Economic Statistics (University of Sydney)
Shaun Palmer (Director & Secretary)	Bachelor of Arts (Psychology/ Industrial Relations), University of Wollongong (1982), Graduate Diploma Industrial Relations and the Law, University of Sydney (1987), Graduate Australian Institute of Company Directors (2015)
Sandra Casinader (Director)	Bachelor of Business, Fellow of the Australasian Institute of Banking and Finance, parent of a special needs person
Darren Dick (Director)	Bachelor of Economics (Honours) and Bachelor of Laws (University of Sydney)
Penny Gerstle (Director)	Bachelor of Arts, Master of Arts (Japanese language and business) Masters Int Law, Master Dev Studies (all Unioversity of Sydney), Migration Law (UNSW)
Genevieve Haines (Director)	Cert III Disability
Mereline Murimwararami (Director)	Bachelor of Adult Education from Western Sydney University & Diploma in Management

MEETINGS OF DIRECTORS

The number of Directors' meetings held during the financial period and the number of meetings attended

Name of Director	Number Held while in Office	Number attended
Glenn Ball	6	6
Warren Dawes	6	6
Sandra Casinader	6	6
Darren Dick	6	6
Penny Gerstle	6	4
Shaun Palmer	6	6
Genevieve Haines	6	6
Mereline Murimwararami	6	6

PARTICIPATE AUSTRALIA LIMITED
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PRINCIPAL ACTIVITIES

The company's principal activities during the financial year are providing support and assistance to people with disabilities and in aged care, their families and carers.

The Company's short term objectives are to:

- i) anticipate and adequately respond to the continued evolution of the National Disability Insurance Scheme (NDIS) and the regulatory change in its wake;
- ii) continue with the organisational change necessary to remain strong and competitive in the new environment;
- iii) support people with disability and in aged care in achieving their aspirations, in having a voice and in exercising the greatest level of choice and control;
- iv) undertake incremental improvements to services and processes through continuous improvement in all business areas.
- v) continually review progress against the Strategic Plan to articulate and implement any amendments required as a result of the evolving implementation of the NDIS.

The Company's long term objectives are to:

- i) secure the sustainability of the organisation through judicious financial management, the development and retention of a competent and skilled workforce and positioning in the marketplace as a recognised industry leader and preferred employer;
- ii) update the strategy to continue to enable PA to be a participant focused, innovative and sustainable organisation into the future.
- iii) implement the strategic plan for 2019-2022, which was approved by the Board in April 2019
- iv) acquire 25% of income from sources other than the NDIS by 2022
- v) increase NDIS income by 25% by 2022

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

- i) the Board applies strong governance, financial management and risk mitigation strategies through its committees and six annual Board meetings;
- ii) Management develops, follows and reviews progress against the annual business plan monthly;
- iii) proposing to update the constitution to clarify the role of the Board, to reference a Board skills matrix when recruiting directors and to enable online meetings and hybrid ways of working.
- iv) the organisation pursues a diverse range of fundraising activities to facilitate the development and continuing improvement of programs and activities;
- v) pass the NDIS Quality and Safeguards audits unincumbered.

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1.00 towards meeting any outstanding obligations of the Company.

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT 2001

A copy of the Auditor's Independence Declaration follows this Directors' Report.

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

Director :



Director :



Dated this

14th Day of September 2022

Auditor's Independence Declaration Under ACNC ACT S 60-40 to the Directors of Participate Australia Limited

In accordance with Subdiv 60-C of the Australian Charities and Not for Profits Commission Act 2021 provide the following declaration of independence to the directors of Participate Australia Limited. As the lead audit partner for the audit of the financial report of Participate Australia Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not for Profits Commission in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Conroy Audit and Advisory

A handwritten signature in black ink, appearing to read "D R Conroy", is written over a faint, light-colored signature line.

D R Conroy FCA
Principal

Sydney
Dated this 14th day of September 2022

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
Revenues from ordinary activities	2	9,583,131	10,571,898
Employee benefits expense		(9,663,526)	(9,282,995)
Depreciation and amortisation expenses	3	(185,540)	(276,641)
Occupancy expense		(248,375)	(171,621)
Programme activities expense		(46,937)	(64,022)
Motor vehicles expense		(20,241)	(19,163)
Other expenses from ordinary activities		(465,186)	(320,533)
		<hr/>	<hr/>
Current year surplus/(deficit) before income tax		(1,046,674)	436,923
Income tax expense	1	<hr/> -	<hr/> -
Net current year surplus/(deficit)		<u>(1,046,674)</u>	<u>436,923</u>
Transfer (to)/from NDIS working capital reserves		<hr/> -	<hr/> (300,000)
Total comprehensive income surplus/(deficit)		<u>(1,046,674)</u>	<u>136,923</u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	766,270	1,999,303
Accounts receivable and other debtors	5	490,501	324,917
TOTAL CURRENT ASSETS		<u>1,256,771</u>	<u>2,324,220</u>
NON - CURRENT ASSETS			
Property, plant and equipment	6	249,442	177,046
Right of Use Assets	7	233,160	364,230
TOTAL NON - CURRENT ASSETS		<u>482,602</u>	<u>541,276</u>
TOTAL ASSETS		<u>1,739,373</u>	<u>2,865,496</u>
CURRENT LIABILITIES			
Accounts payable and other payables	8	277,751	289,108
Provisions	9	808,929	730,601
Lease Liabilities	10	124,293	136,500
TOTAL CURRENT LIABILITIES		<u>1,210,973</u>	<u>1,156,209</u>
NON CURRENT LIABILITIES			
Lease Liabilities	10	112,328	246,541
TOTAL NON CURRENT LIABILITIES		<u>112,328</u>	<u>246,541</u>
TOTAL LIABILITIES		<u>1,323,301</u>	<u>1,402,750</u>
NET ASSETS		<u>416,072</u>	<u>1,462,746</u>
EQUITY			
NDIS working capital reserves		1,020,000	1,020,000
Retained surplus		(603,928)	442,746
TOTAL EQUITY		<u>416,072</u>	<u>1,462,746</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fees and sale of services		89,168	104,015
Grants and programme funding received		8,906,585	8,653,703
ATO Covid-19 Relief		611,348	2,187,800
Interest received		450	1,247
Payments to suppliers and employees		<u>(10,713,718)</u>	<u>(10,840,520)</u>
Net cash provided by operating activities	14 (b)	<u>(1,106,167)</u>	<u>106,245</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(126,866)</u>	<u>(86,580)</u>
Net cash provided by investing activities		<u>(126,866)</u>	<u>(86,580)</u>
Net increase (decrease) in cash held		(1,233,033)	19,665
Cash at the beginning of the financial year		<u>1,999,303</u>	<u>1,979,638</u>
Cash at the end of the financial year	14 (a)	<u><u>766,270</u></u>	<u><u>1,999,303</u></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	NDIS Working Capital Reserves \$	Retained Surplus \$	Total \$
Changes in equity			
Balance at 1 July 2020	720,000	305,823	1,025,823
Net surplus for the year	-	436,923	436,923
Transfer from reserves	300,000	(300,000)	-
Total comprehensive income attributable to members of the entity for the year	-	136,923	136,923
Balance at 30 June 2021	1,020,000	442,746	1,462,746
Net deficit for the year	-	(1,046,674)	(1,046,674)
Transfer to reserves	-	-	-
Total comprehensive income attributable to members of the entity for the year	-	(1,046,674)	(1,046,674)
Balance at 30 June 2022	1,020,000	(603,928)	416,072

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Participate Australia Limited is a company incorporated and domiciled in Australia. The financial statements of the Company are as at and for the year ended 30 June 2022.

The Company is a company limited by guarantee and without share capital. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$1 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter.

The Company is a not-for-profit entity and is primarily involved in the support of people living with intellectual, cognitive and developmental disabilities, as well as their families and carers.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures (SD) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity during the time that he or she is a member or within one year thereafter.

The financial statements were authorised for issue on 14th September 2022 by the directors of the company.

Accounting Policies

(a) Income Tax

The Australian Taxation Office has endorsed the Company as an income tax exempt charitable entity under subdivision 50-5 of the Income Tax Assessment Act 1997 item 1.1. On that basis income tax has not been provided for in these accounts. The Australian Taxation Office also endorsed the Company as a public benevolent institution and a deductible gift recipient.

(b) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant and Equipment (Cont'd)

Plant and equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed by the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value and straight line basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

CLASS OF FIXED ASSETS	DEPRECIATION RATE
Leasehold Improvement	2.5%-20%
Plant and Equipment	10% - 40%
Motor Vehicle	20%

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 and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

- (i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments.

(e) Leases

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) 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. In these circumstances the GST is recognised as part of the cost acquisition of the asset or as part of an item of expense. Receivable and payable in the Statement of Financial Position are shown inclusive of GST.

PARTICIPATE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Employee Entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(h) Revenue

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

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

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

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

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

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

(i) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial assets unless an accounting mismatch is being avoided.

PARTICIPATE AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current, 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 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 liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Comparative Figures

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

Critical Accounting Estimates Judgments and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Notes to the Financial Statements

The notes present information that is relevant to an understanding of the material items contained in the financial statements. The notes give prominence to areas of the companies activities that are considered to be most relevant to an understanding of the statement of financial position and the profit or loss and other comprehensive income and statement of changes in members' funds and cashflows and are cross referenced to those statements.

New and Amended Accounting Standards Adopted by the Entity

Initial adoption of AASB 1060: General Purpose Financial Statements – Simplified Disclosures for Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
NOTE 2 - REVENUE		
Operating activities		
Client Contributions	29,664	52,638
Corporate Sponsorship Income	37,130	28,830
Donations	13,601	6,141
Fundraising Events	-	-
Grants Govt Recurrent	32,444	12,258
Grants Govt Non-Recurrent	28,602	18,918
NDIS	8,722,003	8,520,533
Interest Received	450	1,247
Outsource Services	106,756	89,888
Membership	-	-
Rental Income	733	7,645
Sundry Income	400	-
Covid-19 Relief	611,348	1,833,800
Total Revenue	<u>9,583,131</u>	<u>10,571,898</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expenses has been determined after:

Expenses

Depreciation of property, plant and equipment	54,470	53,846
Amortisation - Right of Use Assets	131,070	222,795
Total Depreciation & Amortisation Expense	<u>185,540</u>	<u>276,641</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash on hand	-	2,000
Cash at bank - Term Deposit	-	263,336
Cash at bank	766,270	1,733,967
	<u>766,270</u>	<u>1,999,303</u>

NOTE 5 - RECEIVABLES

Trade Receivable	415,486	228,889
Bonds and deposits	26,235	45,466
Sundry debtors and prepayments	48,780	50,562
	<u>490,501</u>	<u>324,917</u>

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT		
Leasehold Improvements	241,174	197,674
Less: Provision for Depreciation	<u>(124,850)</u>	<u>(109,055)</u>
	<u>116,324</u>	<u>88,619</u>
Plant and equipment at cost	208,923	128,168
Less: Provision for Depreciation	<u>(89,828)</u>	<u>(54,221)</u>
	<u>119,095</u>	<u>73,947</u>
Furniture and fittings at cost	6,093	3,482
Less: Provision for Depreciation	<u>(2,751)</u>	<u>(2,352)</u>
	<u>3,342</u>	<u>1,130</u>
Motor vehicles at cost	56,947	56,947
Less: Provision for Depreciation	<u>(46,266)</u>	<u>(43,597)</u>
	<u>10,681</u>	<u>13,350</u>
Total Property Plant and Equipment	<u><u>249,442</u></u>	<u><u>177,046</u></u>

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

	Leasehold improvement	Plant & equipment	Furniture & fittings	Motor vehicles	Total
Balance at the beginning of the year	88,619	73,947	1,130	13,350	177,046
Additions	43,500	80,755	2,611	-	126,866
Disposals	-	-	-	-	-
Depreciation expense	(15,795)	(35,607)	(399)	(2,669)	(54,470)
Carrying amount at the end of the year	<u><u>116,324</u></u>	<u><u>119,095</u></u>	<u><u>3,342</u></u>	<u><u>10,681</u></u>	<u><u>249,442</u></u>

NOTE 7 - RIGHT OF USE ASSETS

Right of Use Assets/Leases	809,820	809,820
less accumulated amortisation	<u>(576,660)</u>	<u>(445,590)</u>
Total Right of Use Assets	<u><u>233,160</u></u>	<u><u>364,230</u></u>

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
NOTE 8 - ACCOUNTS PAYABLE AND OTHER PAYABLES		
CURRENT		
Trade creditors and accruals	110,131	33,663
Grants in advance	83,618	142,962
GST payable	(77,506)	(31,226)
Other	21,795	21,137
PAYG payable	68,502	61,688
Superannuation payable	71,211	60,884
	<u>277,751</u>	<u>289,108</u>
NOTE 9 - PROVISIONS		
Annual Leave	370,721	376,837
Long Service Leave	286,562	267,453
Redundancy	151,646	66,311
Make Good Property Provision	-	20,000
	<u>808,929</u>	<u>730,601</u>
NOTE 10 LEASE LIABILITIES		
CURRENT		
Lease Liabilities - operating	124,293	136,500
	<u>124,293</u>	<u>136,500</u>
NON CURRENT		
Lease Liabilities - operating	112,328	246,541
	<u>112,328</u>	<u>246,541</u>
NOTE 11: AUDITOR'S REMUNERATION		
Auditing the financial statements	12,600	12,100
	<u>12,600</u>	<u>12,100</u>
NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE		
From 30 June 2022 to the date of this report, there has been no subsequent event that would have a material effect on the financial position of the company except as disclosed in these financial statements.		
NOTE 13 - COMPANY DETAILS		
The principal place of business of the Company is Participate Australia Limited 113 Edwin St North, Croydon NSW 2132		

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
NOTE 14 - CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	-	2,000
Cash at bank	766,270	1,997,303
	<u>766,270</u>	<u>1,999,303</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
Profit from ordinary activities after income tax	(1,046,674)	436,923
Non-cash flows in profit from ordinary activities		
Depreciation	54,470	53,846
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in receivables	(165,584)	428,432
Decrease/(Increase) in Right of Use Assets	131,070	222,795
(Decrease)/Increase in payables	(11,357)	(1,024,017)
(Decrease)/Increase in Right of Use Liabilities	(146,420)	(220,307)
(Decrease)/Increase in provisions	78,328	208,573
Cash flows from operations	<u>(1,106,167)</u>	<u>106,245</u>

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 985

DIRECTORS' DECLARATION

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

1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

- a. comply with Australian Accounting Standards – Simplified Disclosures (SD) applicable to the entity; and
- b. give a true and fair view of the financial position as at 30 June 2022 and of its performance for the year ended on that date of the company.

2. In the directors' 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.

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

Director



.....

Director



.....

Dated this 14th day of September 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895**



**Report on the Audit of the Financial Report
Opinion**

We have audited the financial report of Participate Australia Limited (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Principal: David Conroy FCA

Postal Address:
Level 2/154 Elizabeth Street
Sydney NSW 2000

Telephone: 02 9267 9227
Fax: 02 9261 3384

Email:
david@conroyaudit.com.au
ABN: 95 373 401 379

In our opinion, the accompanying financial report of Participate Australia Limited has been prepared in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001 and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Australian Charities and Not-for-profits Commission Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- – Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- – Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- – Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- – Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- – Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



A handwritten signature in black ink, appearing to read "D R Conroy", is written over a horizontal line.

D R Conroy
Principal

Street Sydney NSW 2000

Dated this 14th day of September 2022