

Participate Australia Ltd

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ABN 39 136 853 895
ACN ACN 613 814 654
NDIS Provider 4050002920

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Financial Statements for the year ended 30 June 2021

ABN 39 136 853 895
ACN 613 814 654

Treasurer's Report

The audited accounts for the year ended 30 June 2021 are presented for your consideration and adoption.

The 2020/2021 financial year finished with an operating surplus of \$136,923 compared to a surplus of \$53,860 for the previous financial year, an increase of \$83,063.

Income

Revenue from ordinary activities increased by \$273,741 on the previous year.

In the year, revenue from programs and activities from government funding and grant income reduced, compared to the previous year. This was due to the significant and ongoing impact of the COVID-19 pandemic, with revenue from group programs and activities running well below pre-pandemic levels.

During the year, Participate Australia qualified for the Federal Government's Jobkeeper scheme, and other government financial support introduced as a response to the COVID-19 pandemic, which helped to offset this reduction in revenue:

- \$50,000 in emergency stimulus payment
- \$1,783,800 in JobKeeper payments

Expenses

Expenses increased by \$440,678 on the previous year, mainly due to:

- \$798,138 increase in salaries and wages, with JobKeeper supporting ongoing employment of staff, in the face of reduced revenue from programs and activities.
- \$417,202 decrease in program expenses, consistent with the decrease in NDIS funding.
- \$59,742 increase in other operating costs of depreciation, occupancy, motor vehicle and other expenses.

Transfer from Reserves

An amount of \$300,000 was transferred into NDIS working capital reserves during the year (a \$550,000 transfer into reserves in 2019/2020), in order to continue to rebuild the reserves.

Financial Position

On the Balance Sheet, Current Assets exceeded Current Liabilities by \$1,168,011 at 30 June 2021, indicating a sound cash position and a business that is financially sustainable and a going concern.

In addition to cash held for working capital reserves, the Balance Sheet includes \$263,336 in Bank Term Deposits also set aside for working capital reserves as at 30 June 2021, which is available for working capital supplementation in 2021/2022.

Statement of Cash Flows

Net cash flows from operation activities were \$106,245.

Any queries regarding the 2020/2021 results can be addressed to me or to the CEO, Jerry McNamarra.

I would like to thank the Board, Staff, and our Auditor, David Conroy for their support, help and advice throughout the year.



Warren Dawes
Treasurer

Date 8th September 2021

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 2021

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 currently studying a 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
Emily Dash (Vice President)	Resigned 21/10/2020
Rosa Saladino (Director)	Resigned 21/10/2020
Gil Thew (Director)	Resigned 21/10/2020

PARTICIPATE AUSTRALIA LIMITED

ABN 39 136 853 895

Directors' Report

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	5
Sandra Casinader	6	5
Darren Dick	6	6
Penny Gerstle	6	6
Shaun Palmer	6	5
Genevieve Haines	6	6
Emily Dash	1	1
Rosa Saladino	1	1
Gil Thew	1	0

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year is the provision of support and assistance to people with disabilities, 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 in achieving their aspirations, in having a voice and in exercising the greatest level of choice and control;
- iv) continue with the implementation of a new enterprise resource system and exploit all its capabilities to maximise organisational benefits;
- 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
- ii) further diversify and grow our business through the provision of services to meet the need of participants
- iii) implement the strategic plan for 2019-2023, which was approved by the Board in April 2019
- vi) 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 quarterly;
- iii) the organisation pursues a diverse range of fundraising activities to facilitate the development and continuing improvement of programs and activities;
- iv) pass the NDIS Quality and Safeguards audits unincumbered.

PARTICIPATE AUSTRALIA LIMITED

ABN 39 136 853 895

Directors' Report

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

8th Day of September 2021

**Auditor's Independence Declaration Under Section 307C of the Corporations Act
2001 to the Directors of Participate Australia Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021
there have been:

- i. no contraventions of the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of 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 below the company name.

D R Conroy FCA
Principal

Sydney
Dated this 8th day of September 2021

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
Revenues from ordinary activities	2	10,571,898	10,298,157
Employee benefits expense		(9,282,995)	(8,484,857)
Depreciation and amortisation expenses	3	(276,641)	(262,955)
Occupancy expense		(171,621)	(117,710)
Programme activities expense		(64,022)	(481,224)
Motor vehicles expense		(19,163)	(48,062)
Other expenses from ordinary activities		(320,533)	(299,489)
		<hr/>	<hr/>
Current year surplus/(deficit) before income tax		436,923	603,860
Income tax expense	1	<hr/> - <hr/>	<hr/> - <hr/>
Net current year surplus/(deficit)		<hr/> 436,923 <hr/>	<hr/> 603,860 <hr/>
Transfer (to)/from NDIS working capital reserves		<hr/> (300,000) <hr/>	<hr/> (550,000) <hr/>
Total comprehensive income surplus/(deficit)		<hr/> 136,923 <hr/>	<hr/> 53,860 <hr/>

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 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,999,303	1,979,638
Accounts receivable and other debtors	5	324,917	753,349
TOTAL CURRENT ASSETS		<u>2,324,220</u>	<u>2,732,987</u>
NON - CURRENT ASSETS			
Property, plant and equipment	6	177,046	144,312
Right of Use Assets	7	<u>364,230</u>	<u>587,025</u>
TOTAL NON - CURRENT ASSETS		<u>541,276</u>	<u>731,337</u>
TOTAL ASSETS		<u>2,865,496</u>	<u>3,464,324</u>
CURRENT LIABILITIES			
Accounts payable and other payables	8	289,108	1,313,125
Provisions	9	730,601	522,028
Lease Liabilities	10	<u>136,500</u>	<u>224,154</u>
TOTAL CURRENT LIABILITIES		<u>1,156,209</u>	<u>2,059,307</u>
NON CURRENT LIABILITIES			
Lease Liabilities	10	<u>246,541</u>	<u>379,194</u>
TOTAL NON CURRENT LIABILITIES		<u>246,541</u>	<u>379,194</u>
TOTAL LIABILITIES		<u>1,402,750</u>	<u>2,438,501</u>
NET ASSETS		<u>1,462,746</u>	<u>1,025,823</u>
EQUITY			
NDIS working capital reserves		1,020,000	720,000
Retained surplus		<u>442,746</u>	<u>305,823</u>
TOTAL EQUITY		<u>1,462,746</u>	<u>1,025,823</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 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fees and sale of services		104,015	103,143
Grants and programme funding received		8,653,703	9,189,969
ATO Covid-19 Relief		2,187,800	653,000
Interest received		1,247	3,232
Payments to suppliers and employees		<u>(10,840,520)</u>	<u>(8,523,295)</u>
Net cash provided by operating activities	12 (b)	<u>106,245</u>	<u>1,426,049</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(86,580)</u>	<u>(46,882)</u>
Net cash provided by investing activities		<u>(86,580)</u>	<u>(46,882)</u>
Net increase (decrease) in cash held		19,665	1,379,167
Cash at the beginning of the financial year		<u>1,979,638</u>	<u>600,471</u>
Cash at the end of the financial year	12 (a)	<u><u>1,999,303</u></u>	<u><u>1,979,638</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 2021

	NDIS Working Capital Reserves	Retained Surplus	Total
	\$	\$	\$
Changes in equity			
Balance at 1 July 2019	170,000	251,963	421,963
Net surplus for the year	-	603,860	603,860
Transfer from reserves	550,000	(555,000)	-
Total comprehensive income attributable to members of the entity for the year	-	53,860	53,860
Balance at 30 June 2020	720,000	305,823	1,025,823
Net surplus for the year	-	436,923	436,923
Transfer to 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

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 2021

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 2021.

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

Participate Australia Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company 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.

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 2021

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 2021

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
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

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
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

Significant accounting policies / New standards and interpretations not yet adopted

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.

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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

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.

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.

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 2 - REVENUE		
Operating activities		
Client Contributions	52,638	49,694
Corporate Sponsorship Income	28,830	29,245
Donations	6,141	20,021
Fundraising Events	-	2,799
Grants Govt Recurrent	12,258	71,112
Grants Govt Non-Recurrent	18,918	71,495
NDIS	8,520,533	8,912,681
Interest Received	1,247	3,232
Outsource Services	89,888	109,473
Membership	-	600
Rental Income	7,645	16,309
Sundry Income	-	4,496
ATO Covid-19 Relief	1,833,800	1,007,000
Total Revenue	<u>10,571,898</u>	<u>10,298,157</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	53,846	40,160
Amortisation - Right of Use Assets	222,795	222,795
Total Depreciation & Amortisation Expense	<u>276,641</u>	<u>262,955</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash on hand	2,000	3,400
Cash at bank - Term Depsoit	263,336	263,004
Cash at bank	1,733,967	1,713,234
	<u>1,999,303</u>	<u>1,979,638</u>

NOTE 5 - RECEIVABLES

Trade Receivable	228,889	202,778
Bonds and deposits	45,466	44,610
Sundry debtors and prepayments	50,562	151,961
Job Keeper Accrual	-	354,000
	<u>324,917</u>	<u>753,349</u>

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT		
Leasehold Improvements	197,674	157,884
Less: Provision for Depreciation	<u>(109,055)</u>	<u>(93,438)</u>
	<u>88,619</u>	<u>64,446</u>
Plant and equipment at cost	128,168	81,378
Less: Provision for Depreciation	<u>(54,221)</u>	<u>(26,497)</u>
	<u>73,947</u>	<u>54,881</u>
Furniture and fittings at cost	3,482	3,482
Less: Provision for Depreciation	<u>(2,352)</u>	<u>(1,631)</u>
	<u>1,130</u>	<u>1,851</u>
Motor vehicles at cost	56,947	56,947
Less: Provision for Depreciation	<u>(43,597)</u>	<u>(33,813)</u>
	<u>13,350</u>	<u>23,134</u>
Total Property Plant and Equipment	<u><u>177,046</u></u>	<u><u>144,312</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	64,446	54,881	1,851	23,134	144,312
Additions	39,790	46,790	-	-	86,580
Disposals	-	-	-	-	-
Depreciation expense	(15,617)	(27,724)	(721)	(9,784)	(53,846)
Carrying amount at the end of the year	<u><u>88,619</u></u>	<u><u>73,947</u></u>	<u><u>1,130</u></u>	<u><u>13,350</u></u>	<u><u>177,046</u></u>

NOTE 7 - RIGHT OF USE ASSETS

Right of Use Assets/Leases	809,820	809,820
less accumulated amortisation	<u>(445,590)</u>	<u>(222,795)</u>
Total Right of Use Assets	<u><u>364,230</u></u>	<u><u>587,025</u></u>

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 8 - ACCOUNTS PAYABLE AND OTHER PAYABLES		
CURRENT		
Trade creditors and accruals	33,663	71,514
Grants in advance	142,962	129,626
GST payable	(31,226)	(14,552)
Other	21,137	-
NDIS Advance Payment	-	667,570
PAYG payable	61,688	404,700
Superannuation payable	60,884	54,267
	289,108	1,313,125
	289,108	1,313,125

NOTE 9 - PROVISIONS

Annual Leave	376,837	209,362
Long Service Leave	267,453	246,355
Redundancy	66,311	66,311
Make Good Property Provision	20,000	-
	730,601	522,028
	730,601	522,028

NOTE 10 LEASE LIABILITIES

CURRENT

Lease Liabilities - operating	136,500	224,154
	136,500	224,154

NON CURRENT

Lease Liabilities - operating	246,541	379,194
	246,541	379,194

NOTE 11 - 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 2021

	2021	2020
	\$	\$
NOTE 12 - 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	3,400
Cash at bank	1,997,303	1,976,238
	<u>1,999,303</u>	<u>1,979,638</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
	436,923	603,860
Profit from ordinary activities after income tax		
Non-cash flows in profit from ordinary activities		
Depreciation	53,846	40,160
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Decrease/(Increase) in receivables	428,432	(187,864)
Decrease/(Increase) in Right of Use Assets	222,795	(587,025)
(Decrease)/Increase in payables	(1,024,017)	823,621
(Decrease)/Increase in Right of Use Liabilities	(220,307)	603,348
(Decrease)/Increase in provisions	208,573	129,949
Cash flows from operations	<u>106,245</u>	<u>1,426,049</u>

PARTICIPATE AUSTRALIA LIMITED
ABN 39 136 853 985

DIRECTORS' DECLARATION

The directors of the registered entity declare that, in the directors' opinion:

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

- a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
- b. give a true and fair view of the financial position of the registered entity as at 30 June 2021 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

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



President

.....



Treasurer

.....

Dated this 8th day of September 2021

**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 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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.

CONROY AUDIT & ADVISORY



D R Conroy
Principal

Sydney
Dated this 8th day of September 2021

Participate Australia

Empowered living.

Participate Australia supports the United Nations Convention on the Rights of Persons with Disabilities, and our employees are bound by the principles for which it stands.

The Convention's purpose is to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity.

Participate Australia Limited

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CFN CC27014

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