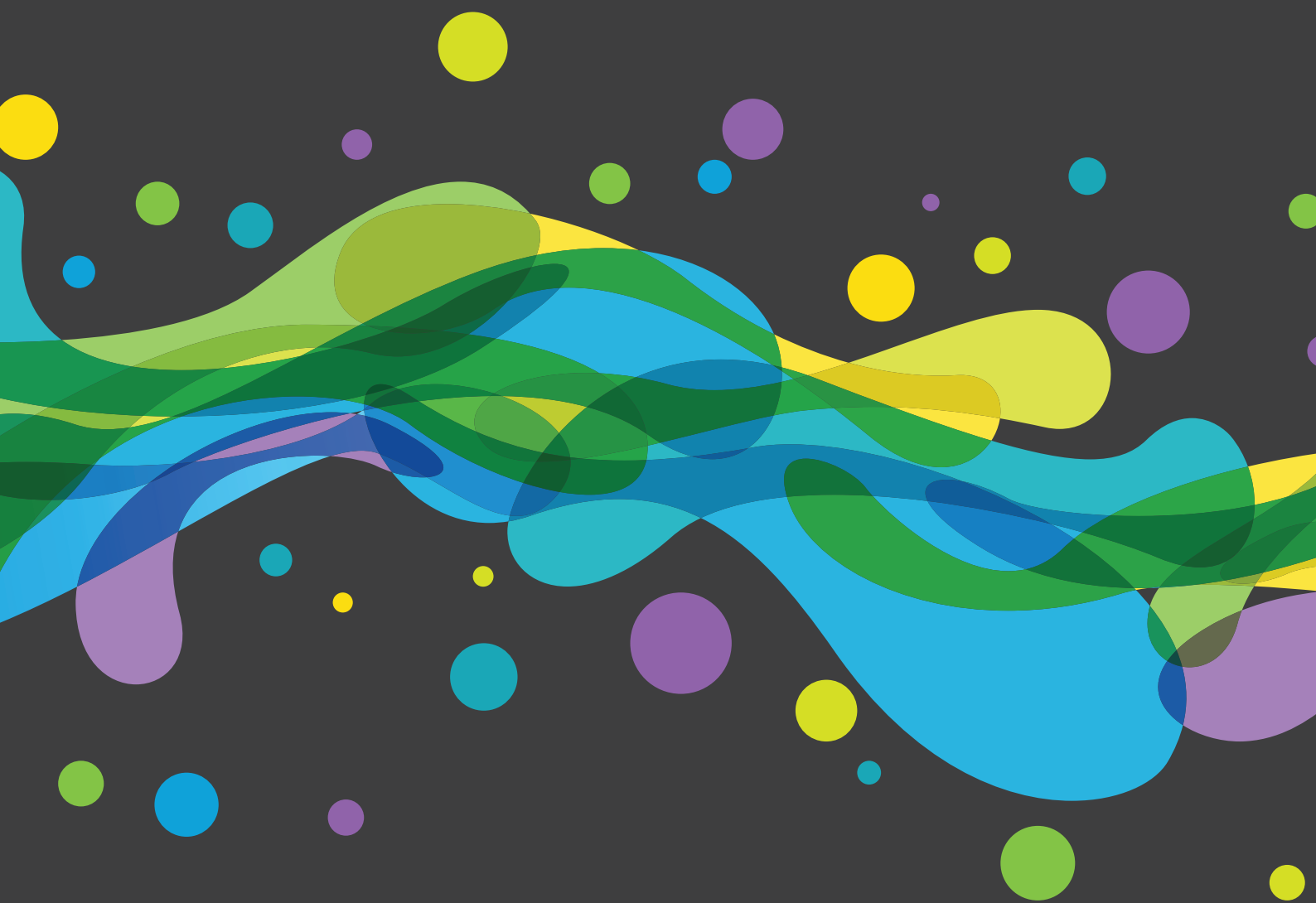


wellways



The Annual Audited Consolidated Financial Statements

2020

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Contents

For the Year Ended 30 June 2020

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Wellways Australia Limited

(A Company Limited by Guarantee)

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Directors' Report For the Year Ended 30 June 2020

The Directors have pleasure presenting their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') consisting of Wellways Australia Limited (referred to hereafter as 'the Company', 'Wellways', or 'the Parent') and the entities it controlled and wholly owned, being HealthCall Pty Ltd (referred to hereafter as 'HealthCall' or 'the Subsidiary') as Trustee of the HealthCall Unit Trust (referred to hereafter as 'the Trust'), at the end of, or during, the financial year ended 30 June 2020.

HealthCall was deregistered in April 2020, and whilst there was no trading through HealthCall or the Trust in the 2019/20 year, the consolidated financial statements continue to make reference to the Group.

Directors

The names of the Directors in office at any stage during the year and to the date of signing this report are:

Mr Kevin Abrahamson	Mr Scott Hartley
Ms Julie Babineau	Mr Peter Langkamp (resigned 05.11.19)
Rosemary Boote (appointed 4.02.2020)	Ms Reba Meagher
Dr Julian Freidin	Mr Paul Montgomery
Mr Michael Gorton (appointed 4.02.2020)	Ms Kay Toshach

No Director has an interest in any contract or proposed contract with the Company or controlled entity declared since the last Directors' Report.

Directors' Meetings

During the financial year ended 30 June 2020, 13 meetings of the Company's Directors were held and 18 Board Committee meetings, in respect of which each Director of the Company attended the following number:

Name of Director	Date Appointed	Board of Director Meetings	Board Committee Meetings		
			Appointments & Governance	Finance, Audit and Resource Management	Clinical Governance
Michael Gorton (Chair from 02/06/2020)	04/02/2020	5 of 5	1 of 1	4 of 4	1 of 1
Kevin Abrahamson (Deputy Chair)	05/07/2010	13 of 13	7 of 7		
Paul Montgomery (Chair until 02/06/2020)	25/09/2006	12 of 13	7 of 7	6 of 7	
Julian Freidin	22/06/2009	13 of 13			4 of 4
Reba Meagher	27/02/2017	12 of 13			4 of 4
Julie Babineau	27/02/2017	12 of 13		7 of 7	
Kay Toshach	27/02/2017	13 of 13	7 of 7		
Scott Hartley	24/09/2018	12 of 13		7 of 7	
Rosemary Boote	04/02/2020	4 of 5	3 of 3		
Peter Langkamp (resigned 05/11/2019)	24/09/2018	6 of 6			1 of 1

Operating Result

The net surplus of the Group for the year after capital items was \$1,569,155 (2019: net surplus restated \$867,137, originally presented net surplus \$1,084,292).

The surplus from ordinary activities before capital items was \$1,696,108 (2019: surplus restated \$994,016, originally presented surplus \$1,211,171).

Review of Operations

Wellways has materially grown its service offering through successful tenders and growth in consumer directed services, particularly NDIS services. The surplus for the year is the result of strong growth in government funded services, investment in the development of systems and processes to support the more transactional style NDIS business (including automation), the continued transformation of the workforce and effective management of costs.

At the date of this report COVID-19 continues to create some uncertainty in relation to both consumer demand on the service and the nature by which it is delivered. Wellways was not eligible and did not receive Federal Government assistance through either the JobKeeper or Cash Flow Boost schemes. The Directors have considered the impact of COVID-19 on the financial operations of Wellways and do not believe it has impacted the ability of Wellways to operate as a going concern. The on-going impact of COVID-19 on the operations of Wellways will continue to be closely monitored by the Directors.

Wellways Australia Limited

(A Company Limited by Guarantee)

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Directors' Report For the Year Ended 30 June 2020

Review of Operations (continued)

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

Other than the matters described above, it is the opinion of the Directors that the results of the Group's operations during the year were not substantially affected by any other item, transaction or event of a material and unusual nature.

State of Affairs

Other than the matters described above in Review of Operations, there have been no other significant changes in the state of affairs of the Group during the financial year.

Likely Developments

Wellways is in a strong financial position to meet the challenges of the future with anticipated significant reform in the mental health and disability sectors following Royal Commission and Productivity reports and recommendations. It aims to further strengthen its position by continuing to grow its services organically through tenders and through attracting new participants in consumer directed services, increasing services in existing states and territories.

Other than the matters described above, the likely future developments in the operations of the Group are the continuation of the principal activities set out in this report.

Events Subsequent to Balance Date

Reference should be made to Note 22 in the financial report, which details the COVID-19 impact on the Group subsequent to year end.

Other than the above, no matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years, not otherwise disclosed in this report.

Directors' Benefits

Since the end of the previous financial year, Directors of the Company have received or become entitled to receive benefits totalling \$162,311 (see Note 19).

Directors' & Auditors' Indemnification

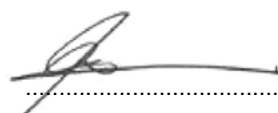
The Group has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

All Directors of the Company are covered by a Directors' and Officers' liability insurance policy covering third party claims in respect of actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach or warranty or authority, or other act wrongfully committed. The premium for this policy in Victoria was paid for by the Department of Health and Human Services. All other States are paid for by the Company.

Auditor's Declaration

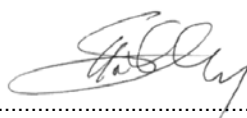
A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* is set out on the following page.

On behalf of the Board



.....

Michael Gorton – Chair



.....

Scott Hartley - Director

Signed at Melbourne on the ninth day of November 2020

Auditor's Independence Declaration

To Wellways Australia Limited,

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 Wellways Australia Limited for the year ended 30 June 2020, we declare that, to the best of our knowledge and belief, there have been:

- i) No contraventions of the independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit, and;
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Mount Martha on the 9th of November 2020



SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD
Certified Practising Accountant
Authorised Audit Company No 415478
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Telephone (03) 9781 2633 – Fax (03) 9781 3073
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DAVID A SZEPFALUSY
DIRECTOR

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Consolidation Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	(Restated *) 2019 \$
Surplus from continuing operations		<u>1,569,155</u>	<u>867,137</u>
Other comprehensive income			
Items that will not be reclassified subsequently to the Statement of Profit or Loss:		-	-
Items that may be reclassified subsequently to the Statement of Profit or Loss:		-	-
Total comprehensive income		<u>1,569,155</u>	<u>867,137</u>

(* Refer to Note 20 for details of the restatement)

The accompanying notes form an integral part of these financial statements

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Consolidation Statement of Profit or Loss For the Year Ended 30 June 2020

	Note	2020 \$	(Restated *) 2019 \$
Revenue from continuing operations			
Revenue	2	108,262,832	93,903,044
Other revenue	2	1,299,641	1,533,175
Total revenue		109,562,473	95,436,219
Expenses			
Salaries & related costs	4	90,130,457	78,956,766
Consultancies		1,041,183	1,187,088
Audit fees	3	103,502	93,890
Bad debts		186,603	408,319
Bank fees		21,082	23,545
Depreciation & amortisation			
- Depreciation of fixed assets		993,007	1,149,897
- Amortisation of intangible assets		9,670	16,045
- Amortisation of right of use assets		3,305,495	-
IT network costs		824,722	646,272
Occupancy costs		424,595	2,429,799
Office costs		3,924,656	3,196,998
Participant support		2,434,065	1,459,416
Program setup costs		36,350	155,213
Light & power		422,955	370,254
Motor vehicle expenses		1,126,913	2,371,077
Property and equipment maintenance		2,346,369	1,486,515
Fundraising expenses		12,260	254,628
Volunteer costs		9,764	17,788
Other expenses		509,513	218,484
Deficit on the sale of fixed assets		3,204	209
Total expenses		107,866,365	94,442,203
Surplus before capital items		1,696,108	994,016
Building depreciation		(126,953)	(126,879)
Surplus from continuing operations		1,569,155	867,137

(* Refer to Note 20 for details of the restatement)

The accompanying notes form an integral part of these financial statements

Wellways Australia Limited

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ACN 093 357 165

Consolidation Statement of Financial Position As at 30 June 2020

	Note	2020 \$	(Restated *) 2019 \$
Current assets			
Cash and cash equivalents	5	8,341,929	4,237,572
Financial assets at amortised cost	6	13,130,323	6,961,732
Trade and other receivables	7	7,620,462	7,001,952
Other assets	8	1,848,126	1,029,702
Total current assets		30,940,840	19,230,958
Non current assets			
Fixed assets	9	6,435,690	5,462,077
Intangible assets	10	119,965	25,753
Right of use assets	16	5,160,326	-
Total non current assets		11,715,981	5,487,830
Total assets		42,656,821	24,718,788
Current liabilities			
Trade and other payables	11	8,657,968	5,050,545
Employee provisions	12	6,180,979	4,117,171
Contract liabilities	13	10,416,199	5,051,267
Lease liabilities	16	2,899,374	-
Total current liabilities		28,154,520	14,218,983
Non current liabilities			
Employee provisions	12	529,110	438,887
Lease liabilities	16	2,343,118	-
Total non current liabilities		2,872,228	438,887
Total liabilities		31,026,748	14,657,870
Net assets		11,630,073	10,060,918
Equity			
Accumulated surplus		11,630,073	10,060,918
Total equity		11,630,073	10,060,918

(* Refer to Note 20 for details of the restatement)

The accompanying notes form an integral part of these financial statements

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Consolidation Statement of Changes in Equity For the Year Ended 30 June 2020

	Accumulated Surplus	Reserves Available for Sale Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018 *	9,193,781	-	9,637,872
Surplus attributable to the entity *	867,137	-	867,137
Total other comprehensive Income - Note 12	-	-	-
Balance at 30 June 2019	10,060,918	-	10,060,918
Surplus attributable to the entity	1,569,155	-	1,569,155
Total other comprehensive Income - Note 12	-	-	-
Balance at 30 June 2020	11,630,073	-	11,630,073

(* Refer to Note 20 for details of the restatement)

The accompanying notes form an integral part of these financial statements

Wellways Australia Limited

(A Company Limited by Guarantee)

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Consolidation Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts - from donors and funding agencies		118,707,245	100,531,928
Payments to suppliers and employees		(103,099,370)	(98,636,418)
Interest & distributions received		180,531	200,242
Net cash generated by operating activities	14	15,788,406	2,095,752
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		291,662	828,086
Payment for property, plant & equipment		(2,237,695)	(535,954)
Payment for software/intangible assets		(103,882)	-
Purchase of Investments - at amortised cost		(6,168,591)	(1,990,954)
Net cash (used in) investing activities		(8,218,506)	(1,698,822)
Cash flows from financing activities			
Lease Payments		(3,465,543)	-
Net cash (used in) financing activities		(3,465,543)	-
Net increase in cash held		4,104,357	396,930
Cash at beginning of year		4,237,572	3,840,642
Cash at end of year	5	8,341,929	4,237,572

The accompanying notes form an integral part of these financial statements

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

Basis of Accounting

Financial Reporting Framework

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, and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of Compliance

The financial statements of the Company comply with Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2018–3: *Amendments to Australian Accounting Standards Reduced Disclosure Requirements* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements, as issued by the Australian Accounting Standards Board (AASB).

New or Amended Accounting Standards and Interpretations Adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 15 Revenue from Contracts with Customers

The Company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The Company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

Basis of Accounting (continued)

AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 15, AASB 1058 and AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	New \$	Previous \$	Difference \$
Contract assets	795,900	0	795,900
Other current assets	633,646	1,429,546	(795,900)
Contract liabilities	10,416,119	0	10,416,119
Other current liabilities	0	10,416,119	(10,416,119)
Net assets	11,635,685	11,635,685	0

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Australian Charities and Not-for-Profits Commission Act 2012. and associated regulations, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, have been prepared on an accruals 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 preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management and Directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (u).

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.

a) Comparative figures

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

Wellways Australia Limited

(A Company Limited by Guarantee)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Wellways, and its subsidiary. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the subsidiary at acquisition are provided in Note 21, together with the date the subsidiary was wound up.

The assets, liabilities and results of the subsidiary are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained whereby the fair values of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are recognised as expenses in profit or loss.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

c) Taxation

Wellways Australia Limited is classified as a Public Benevolent Institution for tax purposes and as such is exempt from Income Tax, and Payroll Tax. Consequently, no provision is made in the financial statements for these taxes under Div 50 of the Income Tax Assessment Act 1997.

d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, bank overdrafts, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Where relevant, bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

e) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from customers and outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

f) Revenue

The Group has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

In the current year:

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Operating Grants, Donations and Bequests

When the Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Group:

- i. identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement
- ii. recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- i. recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- ii. recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- iii. recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

Contributed Assets

The Group receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the Group recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Group recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Wellways Australia Limited

(A Company Limited by Guarantee)

ACN 093 357 165

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

f) Revenue (continued)

Capital Grant

When the Group receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Group recognises income in profit or loss when or as the Group satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Donations and Bequests

Donations and bequests are recognised as revenue when received.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The Group has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

In the comparative period

Grant Revenue: Non-reciprocal grant revenue was recognised in the Statement of Profit or Loss when the Group obtained control of the grant and it was probable that the economic benefits gained from the grant would flow to the Group and the amount of the grant could be measured reliably. If conditions were attached to the grant which must be satisfied before it was eligible to receive the contribution, the recognition of the grant as revenue was deferred until those conditions were satisfied.

When grant revenue was received whereby the Group incurred an obligation to deliver economic value directly back to the contributor, this was considered a reciprocal transaction and the grant revenue was recognised in the state of financial position as a liability until the service had been delivered to the contributor, otherwise the grant was recognised as income on receipt.

Where the Group received non-reciprocal contributions of assets from the government and other parties for zero or a nominal value, these assets were 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 Profit or Loss.

Donations and bequests were recognised as revenue when received.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets was the rate inherent in the instrument.

Other revenue was recognised when the right to receive payment had been established.

g) Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

h) Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j) Property, Plant and Equipment

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

Freehold property

Freehold land and buildings that are classified as fixed assets are shown at their cost less subsequent depreciation for buildings. Where a fixed asset's carrying amount will be recovered principally through a sale transaction rather than through continuing use, the asset will be re-classified as Held-for-Sale.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the Statement of Profit or Loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

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

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

Properties Held for Sale

Held for Sale properties are those where the value of the property will be principally recovered through the sale transaction rather than through continued use. Where applicable, these assets are segregated in the Statement of Financial Position and separately disclosed and tested for impairment. See Note 1(l) for the accounting policy regarding Held for Sale Assets.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

j) Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Depreciation Rate	Method
Buildings	2.5%	Straight Line
Computers	20%	Straight Line
Furniture & Fittings	20%	Straight Line
Motor Vehicles	20%	Straight Line
Office Furniture & Equipment	20%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the Statement of Profit or Loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Assets with an original cost of \$5,000 or greater are capitalized in the Statement of Financial Position. Assets with an original cost of less than \$5,000 are expensed in the Statement of Profit or Loss.

k) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in the Statement of Profit or Loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

l) Assets Classified as "Held for Sale"

Non-current assets are re-classified as "held for sale" when they meet the conditions under AASB 5 Non-Current Assets Held for Sale and Discontinued Operations. The Group re-classifies assets as "held for sale" on the basis that the carrying amount would be recovered principally through a sale transaction rather than through continuing use. The Group measures non-current assets classified as held for sale as the lesser of the carrying amount and the fair value less cost to sell. When the expected date of sale is within 12 months of the year end, the held for sale asset will be classified as current in the Statement of Financial Position.

m) Intangibles

Software Development

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and five years. It is assessed annually for impairment.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

n) Leases

The Group as lessee

At inception of a contract, the Group 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 Group where the Group 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 commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group 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 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 Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Group to further its objectives (commonly known as peppercorn/concessionary leases), the Group has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

o) Provisions

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

p) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

q) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

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

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

r) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial Liability

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;

Any gains or losses arising on changes in fair value are recognised in profit or loss.

A financial liability cannot be reclassified.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

r) Financial Instruments (continued)

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is based on two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

s) Fair Value of Assets and Liabilities

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

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

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

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

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

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

t) Current and non-current classification

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

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

A 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.

u) Critical Accounting Estimates and Judgements

The preparation of the financial statements requires Management and the Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management and the Directors continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management and the Directors bases their judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, they believe 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.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

u) Critical Accounting Estimates and Judgements (continued)

Key Estimates:

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Goodwill is assessed by determining the recoverable amount of the cash-generating units (CGUs) with the goodwill and comparing it to the recoverable amount of the CGUs.

Depreciable assets

The charge in respect of periodic depreciation is derived after determining an estimate of an assets useful life and expected residual value at the end of its life.

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.

Key Judgements:

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Long Service Leave

The provision for long service leave entitlements is derived from an assessment of relevant employee retention rates, future salary levels, Inflation, and timing of payment. See Note 1(q) in relation to employee provisions.

Performance obligations under AASB 15

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

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

In terms of lease contracts that include extension and termination options, the Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies & Basis of Preparation (Continued)

u) Critical Accounting Estimates and Judgements (continued)

Trade and other receivables

The Group monitors and makes estimates of the likelihood those debts will be paid. Managerial judgement is applied to evaluate the level of allowances for estimated losses, by way of the provision for doubtful debts.

Provisions - Provisions for underpayment

The provision for underpayment is derived as a result of an internal audit conducted which assessed the application of the SCHADS award. The assessment identified three errors specifically relating to Supported Independent Living programs (SIL), 'sleep over' shifts and anniversary increases. To derive the provision Management has applied judgement in calculating the estimate, using the relevant SCHADS Award rates for past and future salary levels, hours worked, shift penalty allowances, together with an assessment of the staff (past and present) to whom respective levels in the award apply. See Note 20 in the financial statements for details relating to the provision estimate and restatement of prior year numbers.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

	2020 \$	2019 \$
2 Revenue		
<i>Revenue from contracts with customers</i>		
Government grants	42,392,091	46,629,490
Consumer Directed Service	49,661,315	32,555,243
Fees from other agencies	16,037,397	14,524,023
Client fees	172,029	194,288
	<u>108,262,832</u>	<u>93,903,044</u>
<i>Other revenue</i>		
Fundraising - charitable contributions	284,416	304,334
Fundraising - other	11,000	49,942
Income from investments	900	27,018
Surplus on the sale of assets	150,744	435,238
Interest income	180,531	205,528
Membership income	332	2,145
Other revenue & recoveries	671,718	508,970
	<u>1,299,641</u>	<u>1,533,175</u>
Total revenue	<u>109,562,473</u>	<u>95,436,219</u>
3 Expenses		
Included in expenses are the following expense items:		
Audit fees:		
Audit or review of the financial statements	57,512	45,000
Acquittals	42,450	37,750
Other services	3,540	11,140
	<u>103,502</u>	<u>93,890</u>
4 Salaries and related costs		
Increase in salaries & related Costs is attributed to the increase in the provision of services, particularly CDS, as well as the implementation of the Carer Gateway Services program from April 2020. The number of Full Time Equivalent (FTE) staff are as follows:		
Number of Staff 30th June (FTE)	745	558
5 Cash and cash equivalents		
Cash at bank	8,339,479	4,233,232
Cash on hand	2,450	4,340
	<u>8,341,929</u>	<u>4,237,572</u>
6 Financial assets at amortised cost		
<i>Current</i>		
Term Deposits	13,130,323	6,961,732
	<u>13,130,323</u>	<u>6,961,732</u>

Amortised cost financial assets comprise short-term term deposits with maturity dates of over 3 months and interest rates between 0.8% - 1.00%. The intension of these short-term deposits is for investment purposes and not to meet short-term operational commitments.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

	2020	2019
	\$	\$
7 Trade and other receivables		
Trade receivables	6,707,224	5,937,519
Provision for doubtful debts	(516,308)	(525,352)
Accrued income	633,646	1,589,785
Contract Assets (i)	795,900	-
	<u>7,620,462</u>	<u>7,001,952</u>
<p>(i) As per Note 1 accounting policies, contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.</p>		
8 Other assets		
Deposits and bonds issued	526,027	305,025
Prepayments	1,322,099	724,677
	<u>1,848,126</u>	<u>1,029,702</u>
9 Fixed assets		
Buildings and land - at cost	4,903,372	4,903,372
Less accumulated depreciation	(2,188,228)	(2,061,275)
	<u>2,715,144</u>	<u>2,842,097</u>
Motor vehicles - at cost	1,598,637	2,078,449
Less accumulated depreciation	(1,278,613)	(1,283,560)
	<u>320,024</u>	<u>794,889</u>
Office furniture and equipment - at cost	1,152,683	1,152,683
Less accumulated depreciation	(1,108,940)	(1,081,802)
	<u>43,743</u>	<u>70,881</u>
Computers - at cost	2,962,711	2,158,208
Less accumulated depreciation	(1,575,809)	(1,295,576)
	<u>1,386,902</u>	<u>862,632</u>
Rental property furniture and fittings - at cost	3,035,888	1,608,037
Less accumulated depreciation	(1,066,011)	(716,459)
	<u>1,969,877</u>	<u>891,578</u>
Work in progress	-	-
Total written down value	<u><u>6,435,690</u></u>	<u><u>5,462,077</u></u>

See the following page for a reconciliation of the movement in the carrying amount of Fixed Assets.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2020

9 Fixed assets (continued)

Movement in the carrying amount of fixed assets:

	Land & Buildings	Motor Vehicles	Office Furniture & Equipment	Rental Properties Furniture & Fittings	Computers	Work In Progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	2,965,009	1,732,756	244,378	928,721	884,737	-	6,755,601
Additions at cost	3,967	-	-	293,817	238,170	-	535,954
Disposals (net)	-	(397,563)	(97,059)	(58,080)	-	-	(552,702)
Depreciation expense	(126,879)	(540,304)	(76,438)	(272,880)	(260,275)	-	(1,276,776)
Carrying amount at 30 June 2019	2,842,097	794,889	70,881	891,578	862,632	-	5,462,077
Additions at cost	-	-	-	1,429,987	804,503	-	2,234,490
Disposals (net)	-	(140,917)	-	-	-	-	(140,917)
Depreciation expense	(126,953)	(333,948)	(27,138)	(351,688)	(280,233)	-	(1,119,960)
Carrying amount at 30 June 2020	2,715,144	320,024	43,743	1,969,877	1,386,902	-	6,435,690

Note: In the Statement of Profit or Loss, the Depreciation & Amortisation line item (2020: \$993,007 and 2019: \$1,149,897) excludes depreciation for the category Land & Buildings (2020: \$126,953 and 2019: \$126,879). Land & Buildings depreciation is disclosed separately in the Statement of Profit or Loss.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

10 Intangible assets		2020 \$	2019 \$
Software development	(i)	546,394	442,512
Amortisation of software development	(i)	<u>(426,429)</u>	<u>(416,759)</u>
		<u>119,965</u>	<u>25,753</u>

(i) Software development:

Wellways has continued to develop Carelink+ enterprise software by implementing multiple interfaces to peer systems to leverage the extensive data captured, commencing from 2017/18, as well as commencing work in 2019/20 on the implementation of a new financial system which is anticipated to go live on 30 June 2021.

In addition, access to the Carelink+ system has been extended by a total of 200 licenses purchased and implemented in the 2019/20 financial year (325 in prior years) to meet the needs of business expansion. Costs capitalised in the development of Carelink+ as well as the planning of new financial system include staff, contractor and supplier expenses directly relating to planning, developing and testing the software in the development phase. Amortisation costs commenced being charged from June 2013 which was when the Carelink software went live, becoming a core part of Wellways, streamlining the database from physical to electronic.

11 Trade and other payables

Trade creditors		2,421,294	1,722,030
GST and PAYG payable		290,412	704,086
Superannuation payable		599,253	815,271
Accruals		3,322,382	1,737,048
Payable to NDIA		1,920,214	-
Accrual for audit fees		<u>104,413</u>	<u>72,110</u>
		<u>8,657,968</u>	<u>5,050,545</u>

12 Employee provisions

Current liabilities

Provision for annual leave		3,277,163	2,448,727
Provision for long service leave		948,204	1,007,198
Provision for underpayment	20	<u>1,955,612</u>	<u>661,246</u>
		<u>6,180,979</u>	<u>4,117,171</u>

Non-current liability

Provision for long service leave		<u>529,110</u>	<u>438,887</u>
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13 Contract liabilities

Current

Expected to be utilised within 12 months		<u>10,416,199</u>	<u>5,051,267</u>
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As per Note 1 accounting policies, contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Included in contract liabilities are: funding received where the obligation to provide services has not yet commenced or a milestone not yet met, remaining carry forward surplus that exists from projects that are due to be repaid to the funding body, remaining carry forward funding that is yet to be approved for utilisation in the subsequent financial year, and minor amounts of capital funding not yet drawn down as milestones of completion are yet to be met.

Wellways Australia Limited

(A Company Limited by Guarantee)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

14 Cash flow information	2020	2019
	\$	\$
Reconciliation of cash flow from operations with Operating surplus		
Operating surplus after income tax	1,569,155	1,084,292
<i>Adjustments for non-cash items & items of income or expenses associated with investing or financing cash flows:</i>		
Amortisation / Depreciation	1,129,630	1,292,821
Amortisation - Leases	3,305,495	-
Interest on Lease Finance	242,214	-
(Surplus) / deficit on sale of property, plant & equipment (net)	(147,540)	(275,384)
<i>Changes in assets and liabilities:</i>		
(Increase) in receivables	(618,510)	(3,361,865)
(Increase) decrease in prepayments and other assets	(818,424)	692,308
Increase in creditors & accruals	3,607,423	685,555
Increase in provisions	2,154,031	670,748
Increase in funds for future use	5,364,932	1,307,277
Cash flows from operating activities	<u>15,788,406</u>	<u>2,095,752</u>

15 Financial instruments

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable, accounts payable and leases. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

Cash and cash equivalents	5	8,341,929	4,237,572
Financial assets at amortised cost	6	13,130,323	6,961,732
Receivables	7	7,620,462	7,001,952
Total financial assets		<u>29,092,714</u>	<u>18,201,256</u>

Financial liabilities

Trade and other payables	11	8,657,968	5,050,545
Contract liabilities	13	10,416,199	5,051,267
Total financial liabilities		<u>19,074,167</u>	<u>10,101,812</u>

On the basis that the Group does not subsequently measure any financial liabilities at fair value on a recurring basis and has no financial assets or financial liabilities that are measured at fair value on a non-recurring basis, no further disclosure on fair value measurement has been included.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

16 Right of Use Assets and Leases Liabilities

The mandatory adoption of AASB 16 Leases, for years commencing on or after 1 January 2019, has impacted the premises rent and motor vehicle lease arrangements. Previously, the payments were treated as expenses recorded as occupancy rental expense and motor vehicle expenses. The premises and motor vehicle leases have terms of between one and four years.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases

The accounting policy Note 1(n) details the Group's policy in relation to amounts set out below.

i) Right of Use Assets

Set out below are the carrying amounts of *right-of-use assets* recognised and the movements during the period:

	<i>Premises</i>	<i>Motor Vehicles</i>	Total
Right-of-Use Asset at 1 July 2019	2,536,302	2,140,357	4,676,659
Additions in the current year	3,318,377	470,785	3,789,162
Amortisation Expense	<u>(2,110,898)</u>	<u>(1,194,597)</u>	<u>(3,305,495)</u>
As at 30 June 2020	<u><u>3,743,781</u></u>	<u><u>1,416,545</u></u>	<u><u>5,160,326</u></u>

ii) Lease Liabilities

Set out below are the carrying amounts of *lease liabilities* and the movements during the period:

	2020	2019
	\$	\$
Lease Liability at 1 July 2019	4,676,659	-
Additions in the current year	3,789,162	-
Accretion of interest	242,214	-
Payments made	<u>(3,465,543)</u>	<u>-</u>
	<u><u>5,242,492</u></u>	<u><u>-</u></u>
<i>Made up of:</i>		
Current	2,899,374	-
Non Current	<u>2,343,118</u>	<u>-</u>
	<u><u>5,242,492</u></u>	<u><u>-</u></u>

iii) Profit & Loss Impact

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	3,305,495	-
Interest expense on lease liabilities	242,214	-
Short-term lease expenses (included in various expense accounts)	465,374	-
Leases of low-value assets (included in various expense accounts)	<u>52,800</u>	<u>-</u>
Total amount recognised in profit or loss	<u><u>4,065,883</u></u>	<u><u>-</u></u>

The Company had total cash outflows for leases of \$3,465,453 in 2020 and non-cash additions to right-of-use assets and lease liabilities of \$8,465,821 in 2020. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 17.

The weighted average incremental borrowing rate used was 3.96% for premises and 6.00% for motor vehicles. The remaining life of the premises leases range from August 2020 until June 2024 and motor vehicles October 2020 until June 2023.

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

	2020	2019
	\$	\$
17 Capital and other commitments		
a. Finance lease commitments	Nil	Nil
b. Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements, and not included as part of AASB 16 Leases (see Note 16):		
Not longer than 1 year	-	2,683,421
Longer than 1 year and not longer than 5 years	-	2,017,942
Longer than 5 years	-	-

Operating lease commitments disclosure as required prior to AASB 16 Leases adoption, have been disclosure in the prior year comparative information above. The current year information above is included as 'zero' on the basis that this disclosure is now made in Note 16, relating to AASB 16.

c. Capital & other commitments

The Group has various lease contracts that have not yet commenced as at 30 June 2020. The future lease payments for these non-cancellable lease contracts are \$125,024 within one year, \$625,120 within five years and \$Nil thereafter.

Aside from the above, as at 30 June 2020, no material capital and other commitments were existing, nor were there any that existed for the comparative year, unless otherwise disclosed elsewhere in the financial statements.

18 Related party transactions

Related parties

The Group's main related parties are as follows:

a) Parent entity and controlled entities

Wellways Australia Limited ("the parent") exercised control over HealthCall Pty Ltd ("the subsidiary"). The parent and the subsidiary are collectively referred to as the "consolidated group" and are constituent parts of the consolidated financial statements. Accordingly, the subsidiary is considered a related party in the separate financial statements of the parent entity rather than in the consolidated financial statements.

b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 19.

c) Other related parties

There are no other related parties, other than those disclosed elsewhere in the financial statements.

Transactions with related parties

Reference should be made to Note 21 in relation to the HealthCall entity being wound up in the 2019/20 year. During the 2019/20 financial year, there were no transactions with HealthCall. In the prior financial year, Wellways advanced loans to, received and repaid loans from, and provided administrative services to HealthCall.

Wellways and HealthCall, within the Group, also exchanged services in wage and service transactions, typically as the result of novation of funding contracts. All transactions occurred on the basis of normal commercial terms and conditions. Balances and transactions between the Company and its subsidiary, which were related parties of the Company, were eliminated on consolidation and are not disclosed in this Note.

Other than the above, there were no other material related party relationships or transactions for this year, nor the comparative previous year not otherwise disclosed elsewhere in the financial statements.

Wellways Australia Limited

(A Company Limited by Guarantee)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

19 Directors & key management personnel

	2020	2019
	\$	\$
a) Director benefits:		
During the year the following benefits were paid to Directors:		
Short term benefits - fees	148,090	148,020
Post employment benefits	14,221	14,062
	<u>162,311</u>	<u>162,082</u>
<i>Shown in income bands as follows:</i>		
> \$20,000	1	1
\$10,001 to \$20,000	6	7
\$1 to \$10,000	3	2
Total number of Directors receiving benefits	<u>10</u>	<u>10</u>

b) Key management personnel payments:

The key management personnel compensation included in the salaries and related costs expenses is as follows:

Short term benefits	2,844,502	2,430,363
Other long term benefits	-	-
Post employment benefits	252,394	207,312
Termination benefits	5,000	104,306
Total	<u>3,101,896</u>	<u>2,741,981</u>
Number of key personnel (FTE)	18	15

20 Restatement of prior period balances

As a result of internal audit activity, Wellways identified two errors in its application of the SCHADS award specifically relating to Supported Independent Living programs (SIL), 'sleep over' shifts as well as anniversary increases. These errors resulted in underpayments to staff in the current and preceding financial years. Impacted staff members, both existing and prior, have been notified and arrangements are currently underway to rectify all underpayments. Wellways self reported this to the Fair Work Ombudsman, relevant unions and other stakeholders. The extent of the underpayments, in the prior/current/subsequent years are estimated as follows:

	\$
FY 2014/15 - 2017/18 (prior years)	444,091
FY 2018/19 (prior Year)	217,155
FY 2019/20 (current year)	1,294,366
FY 2020/21 (subsequent year)	296,367
	<u>2,251,979</u>

The impact of the underpayments, including adjustments for backpay, have been brought to account in these financial statements. Details are disclosed in the below table in relation to the \$661,246 restated balances that are presented in the comparative amounts in the financial statements:

	2019 restated	2019 originally
Statement of Financial Position		
Employee benefits (Current)	4,117,171	3,455,925
Equity - Accumulated Surplus	10,060,918	10,722,164
Statement of Changes in Equity		
Opening balance of retained earnings at 1 July 2018	9,193,781	9,637,872
Surplus attributable to entity (2018/19 year)	867,137	1,084,292
Statement of Profit or Loss		
Salaries & related costs	78,956,766	78,739,611
Surplus / (deficit) from continuing operations	867,137	1,084,292

Wellways Australia Limited

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

21 Controlled Entity - Healthcall

Information about principal subsidiary - HealthCall

HealthCall was acquired on the 1st of July 2016, for purchase consideration of \$4,176,903. Wellways completed their acquisition of HealthCall, through the transfer of 100% of HealthCall's units, that were held under a Unit Trust structure.

At 30 June 2019, the Directors resolved to wind up the HealthCall entity, and at 30 June 2019 after the novation of contract arrangements, all assets and liabilities were transferred to the Parent. HealthCall was deregistered on the 14th of April 2020.

HealthCall provided disability support services in New South Wales, Australian Capital Territory and Queensland. HealthCall had issued units which were held directly by the parent entity. The proportion of ownership interests held equalled the voting rights held by the Group. The proportion of ownership interest in the Group was 100%.

The comparative period shows the assets, liabilities, income and expenses of HealthCall were consolidated on a line-by-line basis in the consolidated financial statements of the Group. There were no material significant restrictions over the Group's ability to access or use assets and settle liabilities.

The Subsidiary financial statements used in the preparation of these consolidated financial statements were prepared as at the same reporting date as the Group's financial statements.

22 Events after balance date

From 1 July 2020, the Company entered into various contractual lease arrangements for premises and motor vehicles. See Note 17(c) for details.

The impact of the COVID-19 pandemic is ongoing. It is difficult to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. Noting the uncertainty, the Company has continued to progress with significant investments in automated systems to support the activities of the Company.

Aside from the above, there have been no other significant events occurring after balance date that may affect the operations of Wellways, not otherwise disclosed in this report.

Wellways Australia Limited

(A Company Limited by Guarantee)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

23 Parent entity information

The accounting policies of the parent entity, Wellways, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements, unless otherwise noted.

i) Financial position

	2020	2019
	\$	\$
Assets		
Current assets	30,940,840	18,552,396
Non-current assets	11,715,981	5,487,830
Total assets	<u>42,656,821</u>	<u>24,040,226</u>
Liabilities		
Current liabilities	28,154,520	13,557,737
Non-current liabilities	2,872,228	438,887
Total liabilities	<u>31,026,748</u>	<u>13,996,624</u>
Equity		
Accumulated surplus	11,630,073	10,043,602
Total equity	<u>11,630,073</u>	<u>10,043,602</u>

ii) Financial performance

Surplus / (deficit) of the parent	1,569,155	405,728
Other comprehensive income of the parent	-	-
Total comprehensive income of the parent	<u>1,569,155</u>	<u>405,728</u>

iii) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As detailed in Note 21, Wellways ownership of HealthCall was 100%, which was based on the purchase deed. Accordingly, Wellways assumed the obligations of HealthCall in the event of winding up of HealthCall or if they did not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

iv) Contingent liabilities of the parent

At balance date, there are no contingent liabilities of the parent.

v) Commitments for the acquisition of property, plant and equipment by the parent

At balance date, there are no material contractual obligations to purchase property, plant and equipment.

24 Registered office and principal place of business

Fairfield Place
276 Heidelberg Road
Fairfield Vic 3078

25 State of Affairs and Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business, notwithstanding COVID-19 impacts. Reference should be made specifically to Note 22 which detail the COVID-19 impact on the Group's operations.

The Directors have reviewed and approved cash flow forecasts and 2020-21 budget, which show the Company is expected to have sufficient cash flows to allow its debts to be paid as and when they fall due.

At the date of this report and having considered the above factors, the Directors are confident in the Company's ability to continue as a going concern.

Wellways Australia Limited

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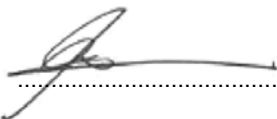
ACN 093 357 165

Directors' Declaration For the Year Ended 30 June 2020

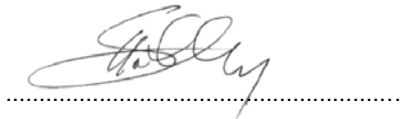
In the opinion of the Directors of the Company:

- a) the consolidated financial statements and notes of the Company, as per pages 5 to 31, are in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not for Profits Commission Regulation 2013*; and
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael Gorton – Chair



Scott Hartley - Director

Signed at Melbourne on the ninth day of November 2020

Wellways Australia Limited
Independent Auditor's Report to the Members
ACN 093 357 165

Report on the Audit of the Consolidated Financial Report

Opinion

We have audited the consolidated financial report of Wellways Australia Limited and its subsidiary, which comprises the Consolidated Statement of Financial Position as at 30 June 2020, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated 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.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company 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 of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the consolidated 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 consolidated 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 Company 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 Company'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.

The Directors of the Company are responsible for overseeing the Company's financial reporting process.

Wellways Australia Limited
Independent Auditor's Report to the Members (Continued)
ACN 093 357 165

Auditor's Responsibilities for the Audit of the Financial Report

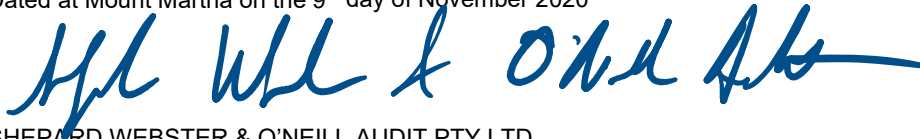
Our objectives are to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 consolidated 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 consolidated 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated 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.

Dated at Mount Martha on the 9th day of November 2020



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