HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 69 007 629 012

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

CONTENTS

General Information

The financial report covers Hands On SA Limited (the Company) as an individual entity that operates under the brand name Mobo Group (Australia).

The financial report is presented in Australian dollars, which is the functional and presentation currency of the Company, and consists of the financial statements, notes to the financial statements and the directors' declaration.

The Company is a not-for-profit unlisted public company limited by guarantee, a registered charity with the Australian Charities and Not-for-Profits Commission, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Unit 2, 11 Ridley Street
Hindmarsh SA 5007

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

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Company for the period ended 30 June 2021.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

	A	B
Mr. Sam Scammell	11	10
Mr. Gary Anderson	11	10
Mr. Antimo Spagnuolo	11	11
Ms. Clare Feszczak	11	9
Mr. Robert Syling AFSM OAM	11	11
Mr. Ralph Kogler	11	9
Mr. John Allen	11	11

column A is the number of meetings the Director was entitled to attend during the financial year
column B is the number of meetings the Director attended during the financial year

REVIEW OF OPERATIONS

The net surplus of the Company for the year ended 30 June 2021 is $859,885 (2020: $1,772,807).

PRINCIPAL ACTIVITY

The principal activities of the Company during the financial year are to provide employment and related support services to people with a disability.

CONTRIBUTION ON WINDING UP

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $50 each towards meeting any outstanding obligations of the entity. As at 30 June 2021, the Company had 7 members (2020: 7).

COMPANY SECRETARY

Andrew Ramsey is the appointed Company Secretary.

INFORMATION ON DIRECTORS

Mr. Sam Scammell

Chairman

Sam has more than 30 years experience as a practicing lawyer and as a senior executive providing business mentoring and business development services as well as specialties in legal, governance and compliance to the Board.

Mr. Antimo Spagnuolo

Finance, Risk & Audit Committee Chairman

Antimo has more than 30 years of senior/executive experience in the areas of corporate finance, business management and banking.

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (cont.)
Mr. Gary Anderson
Director
Gary brings strategic business, marketing and facilitation skills to the Board.

Ms. Clare Feszczak
Director
Clare brings to the Board experience across public, private and not for profit sectors, with skills in governance, change management, project management and business best practice.

Mr. Robert Syling AFSM OAM
Director
Robert brings to the Board an extensive career and understanding of the disability sector.

Mr. Ralph Kogler
Director
Ralph brings to the Board a diverse range of senior management skills having worked many years in a CEO capacity.

Mr. John Allen
Director
John brings to the Board skills and experience in project management, engineering, and construction.

AUDITORS INDEPENDENCE 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 next page.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors;

Mr. Sam Scammell
Chairman

20.10.2021
Date

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS ACT 2012 TO THE BOARD OF HANDS ON SA LIMITED

I declare that to the best of my knowledge and belief, in relation to the audit of Hands On SA Limited for the year ended 30 June 2021 there have been:

i) no contraventions of the auditor independence requirements as set out in 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.

NOT FOR PROFIT ACCOUNTING SPECIALISTS
KESWICK SA 5035

26 October 2021

Nicholas Matsis CPA
Registered Company Auditor No 77466

Date:

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		$	$
REVENUE & OTHER INCOME	3	8,701,697	9,230,171
EXPENSES			
Raw Materials & Consumables		415,612	395,881
Employee Benefit Expenses	4	5,885,662	5,716,625
Depreciation & Amortisation		372,217	272,360
Other Expenses	5	1,168,321	1,072,498
TOTAL EXPENSES		7,841,812	7,457,364
NET SURPLUS/(DEFICIT) FOR THE YEAR		859,885	1,772,807
OTHER COMPREHENSIVE INCOME			
Items That Will not be Reclassified Subsequently to Profit or Loss:			
Revaluation of Land & Buildings		-	869,866
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		859,885	2,642,673

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash & Cash Equivalents	6	2,029,692	3,947,601
Financial Assets	7	4,578,349	1,548,349
Trade & Other Receivables	8	650,300	931,055
Assets Held for Sale	9	2,623,933	-
Inventories		29,749	20,192
Other Assets	10	73,912	59,178
TOTAL CURRENT ASSETS		9,985,935	6,506,375
NON-CURRENT ASSETS			
Property, Plant & Equipment	11	7,560,654	10,208,883
Right-of-use Assets	12	613,700	562,726
TOTAL NON-CURRENT ASSETS		8,174,354	10,771,609
TOTAL ASSETS		18,160,289	17,277,984
CURRENT LIABILITIES			
Trade & Other Payables	13	447,252	416,922
Other Liabilities		447	68,683
Provisions	14	603,366	604,420
Lease Liabilities	17	111,476	110,328
TOTAL CURRENT LIABILITIES		1,162,541	1,200,353
NON-CURRENT LIABILITIES			
Provisions	14	57,427	52,310
Lease Liabilities	17	524,030	468,915
TOTAL NON-CURRENT LIABILITIES		581,457	521,225
TOTAL LIABILITIES		1,743,998	1,721,578
NET ASSETS		16,416,291	15,556,406
EQUITY		16,416,291	15,556,406

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2021

	Note	Members Funds	Accumulated Surplus	Reserves	Total
		$	$	$	$
BALANCE AT 1 JULY 2019		161	12,023,425	901,615	12,925,201
First time Adoption of AASB 16		-	(11,468)	-	(11,468)
Revaluation of Land & Buildings		-	-	869,866	869,866
Transfer on Disposal of Land		-	69,915	(69,915)	-
Net Surplus/(Deficit) for the Year		-	1,772,807	-	1,772,807
BALANCE AT 30 JUNE 2020		161	13,854,679	1,701,566	15,556,406
BALANCE AT 1 JULY 2020		161	13,854,679	1,701,566	15,556,406
Net Surplus/(Deficit) for the Year		-	859,885	-	859,885
BALANCE AT 30 JUNE 2021	15	161	14,714,564	1,701,566	16,416,291

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Operations & Other		9,292,812	8,431,592
Interest Received		36,968	48,221
Payments to Suppliers & Employees		(7,854,408)	(7,335,219)
NET CASH FLOWS FROM OPERATING ACTIVITIES		1,475,372	1,144,594
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment		(249,604)	(695,725)
Disposal of Property, Plant & Equipment		50,182	2,058,265
NET CASH FLOWS FROM INVESTING ACTIVITIES		(199,422)	1,362,540
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Lease Liabilities		(163,859)	(97,954)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(163,859)	(97,954)
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS		1,112,091	2,409,180
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,495,950	3,086,770
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	6	6,608,041	5,495,950

The accompanying notes form part of these financial statements

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

1. CORPORATE INFORMATION

The financial statements of Hands On SA Limited (the Company), for the year ended 30 June 2021, were authorised for issue in accordance with a resolution of the Directors on 20 October 2021.

The Company is a not-for-profit unlisted public company limited by guarantee and is incorporated and domiciled in Australia.

The principal activities of the Company are to provide employment and related support services to people with a disability.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The financial statements have been prepared on an accrual basis and is based on historical costs, except for land and buildings that have been recorded at current valuations, and the long service leave provision that takes into account the changing value of money.

The financial statements are presented in Australian dollars which is the functional and presentation currency of the Company. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Significant Accounting Judgement, Estimates & Assumptions

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to expected useful life of buildings.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) New Accounting Standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board 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.

d) Revenue & Other Income

Income comprises revenue from the sale of goods, government grants, rendering of services, and fundraising activities.

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

Sales Revenue

Sales revenue include income from sale of goods and services.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to when the Company satisfies its performance obligations by transferring control of the assets to the customer. Income from rendering services is recognised when the associated performance obligation(s) are satisfied.

Revenue from Services Provided

Disability Employment Services

The Company provides Disability Employment Services (DES) as an approved DES provider. Revenue from the provision of DES is recognised in accordance with the Disability Employment Services Grant Agreement, once the underlying service has been provided to the DES participant.

Supported Employment

The Company provides supported employment for persons living with a disability. Revenue is claimed against a participants' National Disability Insurance Scheme Plan, and is recognised once the employment support has been provided for the prescribed period.

Investment Revenue

Interest income is recognised on an accrual basis using the effective interest method.

Grant Revenue

Revenue from grants are recognised when the associated performance obligation is satisfied, and not immediately upon receipt. Government and other grants are recognised as follows:

- a grant that does not impose specific future performance obligations on the Company is recognised as revenue the earlier of when the grant proceeds are received or receivable;
- a grant that imposes specific future performance obligations on the Company is recognised as revenue only when the performance obligations are met; and
- a grant received before the revenue recognition criteria are satisfied, is recognised as a liability.

The Company recognises liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

e) Income Tax

The Company is exempt from income tax pursuant to the Income *Tax Assessment Act 1997* . Accordingly, Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the financial statements.

f) Cash & Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, plus term deposits with maturity dates of less than twelve months from balance date net of any outstanding bank overdrafts.

g) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

h) Employee Entitlements

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 period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term Employee Benefits

The Company’s liability for long service leave is included in other long-term benefits if they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

Defined Contribution Plans

The Company provides post-employment benefits through defined contribution plans. The amount charged as an expense in respect of superannuation represents the fixed contributions made or payable by the company to the superannuation funds of employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i) Financial Instruments

Recognition and Derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL).

The classification is determined by both:

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

In the periods presented the Company does not have any financial assets categorised as FVTPL or FVOCI.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent Measurement of Financial Assets

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and) are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s term deposits, cash and cash equivalents, as well as trade and most other receivables fall into this category of financial instruments.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i) Financial Instruments (cont.)

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the periods presented the Company does not have any financial assets categorised as FVOCI.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

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 and loss.

In the periods presented the Company does not have any financial assets categorised as FVTPL.

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 of 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 Company 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.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Company elected to classify under the fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9 - Financial Instruments:

- the general approach; and
- the simplified approach.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

i) Financial Instruments (cont.)

General Approach

The general approach is applied for the Company's trade debtors.

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Classification and Measurement of Financial Liabilities

Financial liabilities consist of trade and other payables which are initially measured at fair value, and, where applicable, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest method.

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

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.

j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

k) Leased Assets & Liabilities

For contracts entered into by the Company as a lessee, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

1. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
2. The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
3. The Company has the right to direct the use of the identified asset throughout the period of use, assessing whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and Recognition of Leases as a Lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which consists of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

l) Property, Plant & Equipment

Plant and equipment are measured using the cost model. Land and buildings are measured using the revaluation model.

Property, 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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Changes in the carrying amount arising on revaluation of land and buildings are recorded to other comprehensive income and charged to a revaluation reserve in equity.

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated over the assets useful life to the Company commencing from the time the asset is held ready for use.

The method of depreciation and depreciation rates used for each class of depreciable assets are shown below:

Fixed Asset Class	**Depreciation rate**	**Method**
Buildings	2.50%	Reducing Balance
Plant & Equipment	15%	Reducing Balance
Motor Vehicles	22%	Reducing Balance

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the Company or when it has no sale value. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment

At each reporting date, the Board reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

n) Economic Dependency

The Company is dependent on the ongoing receipt of funding from the Department of Social Services and National Disability Insurance Agency. The Board have no reason to believe that the government will discontinue this funding.

	2021 $	2020 $
3. REVENUE & OTHER INCOME		
Revenue		
Revenue from Services Provided	5,133,792	5,073,533
Sales Revenue	2,208,655	2,083,707
	7,342,447	7,157,240
Other Income		
COVID-19 Government Stimulus	1,036,500	1,289,500
Surplus on Disposal of Property, Plant & Equipment	8,803	678,120
Grant Revenue	68,237	28,767
Sundry Income	51,271	11,343
Rent Received	157,471	16,979
Interest Received	36,968	48,221
	1,359,250	2,072,931
Total Revenue & Other Income	8,701,697	9,230,171

The liabilities recognised for unexpended grants and income received in advance as at 30 June 2021 are reported as other liabilities on the statement of financial position.

Included in revenue and other income is the following government funding received:

	2021	2020
Commonwealth		
Department of Social Services	2,663,264	2,569,501
National Disability Insurance Agency	2,501,261	2,478,914
JobKeeper and Cash Flow Boost	1,036,500	1,289,500
	6,201,025	6,337,915

	2021 $	2020 $

4. EMPLOYEE BENEFIT EXPENSES

Expenses recognised for employee benefits are analysed as follow:

	2021 $	2020 $
Salaries	4,565,008	4,386,610
Workers Compensation Insurance	108,144	117,867
Superannuation	489,846	393,452
Employee Benefit Provisions	4,063	109,545
JobKeeper Top-Up	531,568	585,312
Other Employee Benefits	187,033	123,839
	5,885,662	5,716,625

The liabilities recognised for employee benefits are reported in note 14.

5. OTHER EXPENSES

Other expenses includes the following:

	2021 $	2020 $
Auditor Remuneration		
Audit Fees	12,500	12,000
Fees for the Preparation of Financial Statements	1,850	1,750
Total Auditor Remuneration	14,350	13,750

6. CASH & CASH EQUIVALENTS

	2021 $	2020 $
Cash at Bank	2,028,342	3,946,351
Cash on Hand	1,350	1,250
	2,029,692	3,947,601

Cash Flow Information

Cash and cash equivalents at the end of the year are reconciled as follow:

	2021 $	2020 $
Cash at Bank & Cash On Hand	2,029,692	3,947,601
Term Deposits - maturity period more than 3 months	4,578,349	1,548,349
	6,608,041	5,495,950

7. FINANCIAL ASSETS

Bank term deposits with an original maturity term of more than 3 months but less than 12 months are shown as current financial assets.

	2021 $	2020 $
Term Deposits	4,578,349	1,548,349

8. TRADE & OTHER RECEIVABLES

	2021 $	2020 $
Trade Receivables	433,892	195,543
Other Receivables	3,835	6,563
Accrued Income	212,573	155,949
COVID-19 Government Stimulus Receivable	-	573,000
	650,300	931,055

All of the Company's trade and other receivables have been reviewed for indicators of impairment. No indicators of impairment have been identified and accordingly no allowance for credit losses were provided.

	2021 $	2020 $
9. ASSETS HELD FOR SALE		
Land & Building	2,623,933	-

During the financial period, the Company entered into a contract of sale for one of its properties, with settlement occurring after 30 June 2021. Accordingly, the carrying amounts of the land and building are reclassified as Assets Held For Sale as at 30 June 2021. Refer note 11.

	2021 $	2020 $
10. OTHER ASSETS		
Prepaid Expenses	65,067	56,105
Bond Paid	8,845	3,073
	73,912	59,178

	2021 $	2020 $
11. PROPERTY, PLANT & EQUIPMENT		
LAND & BUILDINGS		
Land		
At Valuation	3,559,000	4,833,000
Buildings		
At Valuation	3,473,957	4,944,297
Accumulated Depreciation	(99,452)	(132,755)
	3,374,505	4,811,542
Total Land & Buildings	6,933,505	9,644,542
Plant & Equipment		
At Cost	797,419	721,651
Accumulated Depreciation	(336,002)	(282,994)
	461,417	438,657
Motor Vehicles		
At Cost	307,674	261,185
Accumulated Depreciation	(141,942)	(135,501)
	165,732	125,684
Total Property, Plant & Equipment	7,560,654	10,208,883

The Company's land and buildings were revalued during the 2019/2020 financial period by an independent valuer. Valuations were made on the basis of open market value in an arms length transaction based on similar properties.

Reconciliation of Property, Plant & Equipment carrying amount:

	2021 $	2020 $
Balance at Beginning of the Year	10,208,883	10,211,256
Additions During the Year	249,604	695,725
Depreciation for the Year	(232,520)	(187,818)
Disposals During the Year	(41,379)	(1,380,146)
Revaluations During the Year	-	869,866
Reclassified to Assets Held for Sale - refer note 9	(2,623,933)	-
Balance at the End of the Year	7,560,655	10,208,883

	2021 $	2020 $
12. RIGHT-OF-USE ASSETS		
Land & Building		
At Discounted Cost	837,940	647,268
Accumulated Depreciation	(224,240)	(84,542)
	613,700	562,726

Included in depreciation on the statement of profit or loss and other comprehensive income is depreciation totalling $139,697 (2020: $84,542) relating to right-of-use assets.

	2021 $	2020 $
13. TRADE & OTHER PAYABLES		
Trade Payables	339,743	276,939
Other Payables	107,509	139,983
	447,252	416,922

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

14. PROVISIONS

Provisions include the following liabilities recognised for employee benefits:

	2021 $	2020 $
Current		
Annual Leave	320,630	289,047
Long Service Leave	282,736	315,373
	603,366	604,420
Non-Current		
Long Service Leave	57,427	52,310

	2021 $	2020 $
15. RESERVES		
Asset Revaluation Surplus		
Opening Balance	1,701,566	901,615
Transfer to Accumulated Funds on Disposal of Land	-	(69,915)
Revaluation of Land & Buildings	-	869,866
	1,701,566	1,701,566

The asset revaluation reserve records unrealised gains on revaluation of property, plant & equipment recorded at fair value.

	2021 $	2020 $
16. ACCUMULATED FUNDS		
Accumulated Funds at the Beginning of the Year	13,854,679	12,023,425
Net Surplus/(Deficit) for the Year	859,885	1,772,807
First time Adoption of AASB 16	-	(11,468)
Transfer from Reserves on Disposal of Land	-	69,915
Accumulated Funds at the End of the Year	14,714,563	13,854,679

17. LEASE LIABILITIES

The Company has leases for its retail sites, as well as its disability employment services offices. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Included in the statement of financial position as at 30 June 2021 are lease liabilities for 7 leases, with an average remaining lease term of 5 years.

	2021	2020
	$	$
Lease liabilities are presented in the statement of financial position as follows:		
Current	111,476	110,328
Non-Current	524,030	468,915
Minimum Future Lease Payments:		
- no later than 12 months	157,650	
- between 12 months and 5 years	645,496	
	803,146	

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. The Company must keep these properties in a good state of repair and return the properties to their original condition at the end of the lease.

Total cash outflows for leases during the financial period were $202,105 (2020: $188,406). Included in other expenses are short-term leases expensed totalling $38,247 (2020: $90,452) and $34,885 (2020: $18,462) interest on lease liabilities.

18. RELATED PARTY TRANSACTIONS

The key management personnel of the Company consists of the Directors of the Company, the Chief Executive Officer and the Department Managers.

Transactions with Key Management Personnel

The Directors act in an honorary capacity and receive no compensation for their services other than reimbursement of expenses incurred in relation to their capacity as Directors.

	2021	2020
Total Key Management Personnel Remuneration	910,447	938,280

19. FAIR VALUE MEASUREMENT

Fair value measurement of financial instruments

There are no financial instruments that are carried at fair value as at 30 June 2021.

Fair value measurement of non-financial instruments

The following table shows the non-financial assets measured at fair value on a recurring basis:

	2021	2020
Land	3,559,000	4,833,000
Buildings	3,374,505	4,811,542
Assets Held for Sale	2,623,933	-

20. CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Company in relation to 2021 or 2020.

21. CAPITAL COMMITMENTS

As at the reporting date the Company did not commit any funds towards assets expected to be received on a future date.

22. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

23. MEMBERS GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $50 each towards meeting any outstanding obligations of the Company. At 30 June 2021, the total amount that members of the Company are liable to contribute if the Company wound up is $350 (2020: $350).

HANDS ON SA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' DECLARATION

In the Directors' opinion:

1. the attached financial statements and notes thereto comply with Australian Accounting Standards - Reduced Disclosure Requirements and give a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance for the financial year ended on that date;

2. the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* ; and

3. there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* .

Mr. Sam Scammell
Chairman

20. 10. 2021
Date

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INDEPENDENT AUDITOR'S REPORT FOR HANDS ON SA LIMITED

Auditor's Opinion

We have audited the financial report, being a general purpose financial report, of Hands On SA Limited, comprising the statement of financial position and statement of changes in equity as at 30 June 2021, statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Hands On SA Limited has been prepared in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- giving a true and fair view of the registered entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- complying with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 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 entity in accordance with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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 Board Members of the entity are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to the Board Members.

The Responsibility of the Board Members for the Financial Report

The Board Members of the entity are responsible for the preparation and fair presentation of the financial report, and have determined that the financial report has been prepared in accordance with the requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The Board Members' responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board Members are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so. The Board Members are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Committee website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

NOT FOR PROFIT ACCOUNTING SPECIALISTS
KESWICK SA 5035

Nicholas Matsis CPA
Registered Company Auditor No 77466

Dated: 26 October 2021