Financial Statements

For the Year Ended 30 June 2021

Therapy Focus

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For the Year Ended 30 June 2021

Therapy Focus Limited

ABN: 67 796 715 775

Directors' Report

For the Year Ended 30 June 2021

The Board of Therapy Focus Limited presents its Directors' Report for the financial year ended 30th June 2021 and the Independent Auditor's Report.

This report provides an overview of Therapy Focus' corporate governance framework focusing on the Board and its Committees in the 2020/2021 financial year and a summary of the 2020-2023 Strategic Plan, with key strategic achievements from the last 12 months.

Principal Activities
Therapy Focus' principal activity for 2020/2021 was to continue providing therapy services for people living with disability. The financial statements accompanying this report, note that by 30 June 2021 the Company earned $33.4 million in revenue from services and had $9.9 million in retained earnings.

Objectives
The objectives of Therapy Focus during the year continue to align with those stated in the Company's Constitution, specifically to:

(a) provide professional therapy and related services to people with disability and others in the community;
(b) contribute to the evidence base of therapy interventions, including through practice and research;
(c) deliver services with a commitment to quality and continuous improvement;
(d) apply resources to, and advocate for, broader benevolent purposes, including the relief of distress, to contribute to a more inclusive and cohesive society; and
(e) anything ancillary to the objects referred to in clauses (a) to (d).

2020-2023 Strategic Plan
Therapy Focus' Strategic Plan 2020 – 2023 was finalised in July 2020. Implementation commenced at that time, but due to COVID-19, the official launch of this was delayed until March 2021.

This three-year Strategic Plan represents who Therapy Focus is as an organisation and the direction that it wants to take. From the beginning of the strategic planning process, the organisation wanted to do things differently – it wanted everyone in the organisation to be involved. This new approach saw strategy developed and subsequently delivered by local teams, ensuring services mirror the needs of local communities and teams are accountable for outcomes.

The Board of Directors and Executive Team set the organisation's new Ideology and four Strategic Objectives, which fall under four headings: Customer, Staff, Quality and Finance.

Clinical teams and specialist services used this Ideology and four Strategic Objectives to develop their team Delivery Plans - those initiatives teams will deliver in the next three years to underpin the four key Strategic Objectives. These Delivery Plans will be refreshed each year.

Progress on implementation of the Strategic Plan will be monitored via Quarterly Reports to the Board.

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Directors' Report

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Strategic Objectives, Initiatives and Indicators

Objective	Initiative	Indicators
Achieve Customer-Led Growth and Innovation	By embedding customer influence in service delivery	• Initiation of 4 customer driven business objectives • Implementation of a formal customer engagement and feedback framework
Become an Employer of Choice	By investing in our people	• Staff turnover of less than 15% • Implementation of a career pathways and remuneration framework
Grow and Diversify Services	By focusing on continuous service improvement	• Customer satisfaction of at least 90% • Development of at least 5 new service initiatives
Ensure Commercial Security and Sustainability	By demonstrating rigour in existing and future markets	• Customer satisfaction rating of at least 90% • Development of at least 5 new service initiatives

Key challenges:
The workforce shortage and competition from new entrants to the market are key business challenges for Therapy Focus. The People, Talent, and Culture teams have prioritised retention and recruitment, alongside staff health and well-being. The transition from block funding to a fee for service funding model required many new and changed business processes to accommodate commercial requirements, and significant investment in continuous improvement to maintain a competitive advantage.

Key achievements:

- Successful transition of customers who were supported by block funding to NDIS;
- Implementation of a new administrative structure to support customers more efficiently, which also provides a career pathway for staff in these roles;
- Maintained staff turnover below industry standards in a highly volatile market;
- Investment in staff development to maintain quality of services;
- Generated profit during pandemic year; and
- Implementation of new branding, designed by staff, to reflect the new strategy.

Sustainability
The Company has generated an operating deficit of $236,110 during the year as compared to a surplus of $166,630 in 2020. These results are impacted by COVID-19 and the government subsidies secured of $2,897,636 during the year (2020: $2,550,617). The financial statements have been prepared on the basis that going concern is not impacted by the cessation of the receipt of the Federal Government's JobKeeper payments.

A comprehensive review of the organisation's accommodation footprint was conducted to determine current and future requirements. Capital investment in various projects related to the recommendations from this review will be implemented during the next financial year to provide a better customer experience and improved working conditions for teams.

Significant work was undertaken to identify the current and future requirements of our business systems. Capital investment in various projects related to the recommendations from this review will be implemented during the next financial year to improve operational efficiency and provide better evidence to inform decision making.

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Directors' Report

For the Year Ended 30 June 2021

Corporate Governance Framework

Structure and Composition of the Board
Therapy Focus is committed to ensuring the Board includes Directors with a diverse range of skills, experience, expertise, age, gender, ethnicity and thinking styles. This enables the Board to fulfil its governance responsibilities and oversee delivery of the Company's strategic priorities. Additionally, one of the six Directors has lived experience of disability.

The Board currently comprises of six Non-Executive Directors and their biographies are available on the Therapy Focus website under Getting to Know Us / Board of Directors: - https://therapyfocus.org.au/get-to-know-us/our-team/board-directors/

The table below indicates the Directors in office as at the 30th June 2021, as well as their roles and tenure.

Name		Role	Tenure
Michael	Banton *	Director	11 years, 6 months
Kane	Blackman	Director | Chair Nomination and Remuneration Committee	3 years
Emma	Brierty	Director	1 year, 4 months
Rachel	Cottier	Director | Chair Audit and Risk Committee	2 years, 1 month
Ann	Dawson	Director	3 years, 5 months
Fiona	Payne	Chair	4 years, 4 months
Amanda	Reed *	Director	4 years, 5 months
Tony	Vis	Deputy Chair	4 years, 4 months

* *Retired from the Board in November 2020*

The Board's membership has undergone two changes during the financial year: Michael Banton and Amanda Reed retired from the Board on 23rd November 2020.

Committees of the Board
The Board has an established Audit and Risk Committee (ARC) and a Nomination and Remuneration Committee (NomRem).

Each Committee is convened with a written Charter and Terms of Reference and reports to the Board for consideration of recommendations following each Committee meeting. As per the regular cycle of review, the Board approved updated NomRem Terms of Reference on 22nd February 2021 and updated ARC Terms of Reference on 29th March 2021.

The Committee structure and details of the role and current membership of each Committee are outlined below:

ARC
The purpose of the ARC is to assist the Therapy Focus Ltd Board in fulfilling its responsibilities by reviewing the:

- Financial statements;
- Performance and independence of external auditors;
- Effectiveness of the risk management framework including compliance, internal controls and the assurance provided by the internal audit program;
- Reviewing the Company's insurance requirements including the liability, professional indemnity and the directors' and officers' insurance policies;
- Reviewing and support the organisations clinical governance framework by ensuring it directly links to the organisation's objectives and supports quality and safeguarding outcomes; and
- Reviewing the organisations' clinical governance compliance.

The current membership of the ARC is as follows:

Name	Role
Rachel Cottier	Member / Chair
Fiona Payne	Member / Board Chair
Ann Dawson	Member / Director
Michael Banton *	Member / Director
Emma Brierity **	Member / Director
Tony Vis	Member / Director
Angelena Fixter	CEO – Invited Guest
Brendan Parker	Executive Manager Experience Hub – Invited Guest
Kanishka Kumarage	Executive Manager Intelligence Hub – Invited Guest

* *Retired from the Board in November 2020*
** *Appointed to the ARC in April 2021*

The Company's external Auditor is **Dry Kirkness**. Dry Kirkness was appointed Therapy Focus' Auditor in October 2014 and the audit partner changed for the 2020/2021 year. The Auditor has provided the required independence declaration to the Board for the financial year ended 30 June 2021.

NomRem
The purpose of the NomRem is to support and advise the Therapy Focus Ltd Board on:

- The nomination and remuneration policies and processes of the CEO, the Board and its Directors;
- Identifying, evaluating and recommending candidates to the Board and its Committees; and
- Overviewing CEO recruitment, dismissal, performance, salary review and succession planning.

Membership of the Committee during the year is as follows:

Name	Role
Kane Blackman	Member / Chair
Tony Vis	Member / Director
Fiona Payne	Member / Board Chair
Angelena Fixter	CEO – Invited Guest

Meeting attendance
During the 2020/2021 financial year, the attendance of Directors at Board and Committee meetings was as follows:

	Board & AGM			
	Attended	Apologies	# Eligible	Att. Rate
Michael Banton *	3	1	4	75%
Kane Blackman	8	2	10	80%
Emma Brierty	7	3	10	70%
Rachel Cottier	10	0	10	100%
Ann Dawson	7	3	10	70%
Fiona Payne	10	0	10	100%
Amanda Reed *	4	0	4	100%
Tony Vis	10	0	10	100%

* *Retired*

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ARC				
	Attended	**Apologies**	**# Eligible**	**Att. Rate**
Michael Banton *	3	0	3	100%
Emma Brierty	1	0	1	100%
Rachel Cottier	5	0	5	100%
Ann Dawson	4	1	5	80%
Fiona Payne	4	1	5	80%
Tony Vis	4	1	5	80%

* *Retired*

NomRem				
	Attended	**Apologies**	**# Eligible**	**Att. Rate**
Kane Blackman	3	0	3	100%
Fiona Payne	3	0	3	100%
Tony Vis	3	0	3	100%

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
RECURRENT OPERATIONS			
Revenue	5(a)	**33,357,504**	34,356,132
Finance income		**54,904**	183,384
Auditors' remuneration	21	**(40,554)**	(21,198)
Depreciation and amortisation expense	6	**(1,354,914)**	(1,120,350)
Employee benefits expense	6	**(26,834,185)**	(25,163,001)
Interest expense on lease liabilities	6	**(41,459)**	(42,838)
Loss on disposal of assets	6	**(10,801)**	(185,096)
Other expenses		**(1,667,860)**	(2,642,330)
Program expenses		**(2,925,339)**	(4,581,635)
Repairs and maintenance		**(326,887)**	(299,383)
Short-term lease expense and outgoings	6	**(446,519)**	(317,055)
Recurrent (deficit)/surplus for the year		**(236,110)**	166,630
NON-RECURRENT OPERATIONS			
Government subsidies - COVID-19	5(b)	**2,897,636**	2,550,617
Surplus before income tax		**2,661,526**	2,717,247
Income tax expense	3(a)	**-**	-
Surplus for the year		**2,661,526**	2,717,247
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**2,661,526**	2,717,247

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**12,363,873**	13,205,783
Trade and other receivables	8	**3,436,266**	2,928,024
Other assets	9	**365,746**	292,035
TOTAL CURRENT ASSETS		**16,165,885**	16,425,842
NON-CURRENT ASSETS			
Property, plant and equipment	10	**3,942,842**	2,768,875
Right-of-use assets	11	**1,129,666**	1,070,610
TOTAL NON-CURRENT ASSETS		**5,072,508**	3,839,485
TOTAL ASSETS		**21,238,393**	20,265,327
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**1,138,010**	1,039,361
Contract liabilities	13	**4,642,084**	6,886,405
Lease liabilities	11	**565,259**	418,670
Employee benefits	14	**2,963,641**	2,658,786
TOTAL CURRENT LIABILITIES		**9,308,994**	11,003,222
NON-CURRENT LIABILITIES			
Lease liabilities	11	**538,456**	543,347
Employee benefits	14	**551,142**	482,859
TOTAL NON-CURRENT LIABILITIES		**1,089,598**	1,026,206
TOTAL LIABILITIES		**10,398,592**	12,029,428
NET ASSETS		**10,839,801**	8,235,899
EQUITY			
Reserves		**941,594**	1,478,397
Retained earnings		**9,898,207**	6,757,502
TOTAL EQUITY		**10,839,801**	8,235,899

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings $	Accommodation Development $	The Complete Advantage $	Information Technology Reserve $	Scholarship Fund $	GIVE Reserve $	Total $
Balance at 1 July 2020	6,757,502	100,000	200,000	179,179	691,477	307,741	8,235,899
Surplus attributable to members of the entity	2,661,526	-	-	-	-	-	2,661,526
Funds distributed from GIVE during the period	-	-	-	-	-	(57,624)	(57,624)
Transfers from reserves to retained earnings	479,179	(100,000)	(200,000)	(179,179)	-	-	-
Balance at 30 June 2021	9,898,207	-	-	-	691,477	250,117	10,839,801

2020

	Retained Earnings $	Accommodation Development $	The Complete Advantage $	Information Technology Reserve $	Scholarship Fund $	GIVE Reserve $	Total $
Balance at 1 July 2019	4,040,255	100,000	200,000	179,179	691,477	291,284	5,502,195
Surplus attributable to members of the entity	2,717,247	-	-	-	-	-	2,717,247
Funds distributed to GIVE during the period	-	-	-	-	-	16,457	16,457
Balance at 30 June 2020	6,757,502	100,000	200,000	179,179	691,477	307,741	8,235,899

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and government funding/subsidies		**30,618,097**	33,217,241
Payments to suppliers and employees		**(32,233,009)**	(34,033,215)
Interest received		**61,114**	217,154
Interest expense on lease liabilities		**(41,459)**	(42,838)
COVID-19 assistance received from government		**3,773,636**	1,674,617
Short-term, low-value and variable lease payments		**(563,249)**	(427,808)
Net cash provided by operating activities	19(b)	**1,615,130**	605,151
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of property, plant and equipment		**2,150,836**	1,991,216
Payments to acquire property, plant and equipment		**(4,144,100)**	(3,066,213)
Net cash used in investing activities		**(1,993,264)**	(1,074,997)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		**(463,776)**	(556,634)
Net cash used in financing activities		**(463,776)**	(556,634)
Net decrease in cash and cash equivalents held		**(841,910)**	(1,026,480)
Cash and cash equivalents at beginning of year		**13,205,783**	14,232,263
Cash and cash equivalents at end of financial year	19(a)	**12,363,873**	13,205,783

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Therapy Focus Limited as an individual entity. Therapy Focus Limited is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2021 were to provide therapy services for people living with a disability or learning impairment.

The functional and presentation currency of Therapy Focus Limited is Australian dollars.

1 Basis of Preparation

Therapy Focus Limited applies Australian Accounting Standards - Simplified Disclosures as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards.*

The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board ("AASB") and the *Australian Charities and Not-for-profits Commission Act 2012.*

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

The financial statements, except for the cash flow information, have been prepared on an 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.

2 Changes in Accounting Policies

The Company has elected to early adopt AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* ("AASB 1060") prior to its mandatory effective date (annual reporting periods beginning on or after 1 July 2021). In adopting this standard, the Company has applied AASB 1 *First Time Adoption of Australian Accounting Standards*. The adoption of AASB 1060 did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997.*

(b) Revenue and other income

The Company has applied AASB 15 *Revenue from Contracts with Customers* ("AASB 15") and AASB 1058 *Income of Not-for-Profit Entities* ("AASB 1058").

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised by applying a five-step model follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Operating grants

When the Company receives operating grant revenue from government, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

- identities each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

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

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- 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 Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

3 Summary of Significant Accounting Policies (Continued)

(b) Revenue and other income (Continued)

Rendering of services

Revenue in relation to rendering of services is recognised at a point in time when the given performance obligation is met, that is, when clients receives and consumes the benefits of the services as the Company provides them, the revenue recognition model is based on the time elapsed output method.

A receivable in relation to these services is recognised when a bill has been issued, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Donations

Donations and bequests are recognised as revenue when the Company gains control of the asset.

Interest revenue

Interest is recognised using the effective interest method.

Gain on disposal of non-current assets

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

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3 **Summary of Significant Accounting Policies (Continued)**

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	3 - 7 years
Furniture, Fixtures and Fittings	3 - 7 years
Motor Vehicles	5 - 7 years
Office Equipment	3 - 5 years
Computer Equipment	3 - 5 years
Computer Software	3 - 5 years
Leasehold Improvements	5 - 6 years

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.

3 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

3 Summary of Significant Accounting Policies (Continued)

(e) Financial instruments (Continued)

Financial assets (Continued)

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

Impairment of financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in profit or loss. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3 Summary of Significant Accounting Policies (Continued)

(g) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets if there are leases present. 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. The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

(i) Right-of-use asset

Right-of-use assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Prepaid building lease payments	20 years
Buildings	2 to 8 years

If ownership of the leased asset transfers to the Company by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability are as follows:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- the amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company;

3 Summary of Significant Accounting Policies (Continued)

(g) Leases (Continued)

(ii) Lease liabilities (Continued)

- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for termination of a lease, if the lease term reflects the Company exercising the option to terminate the lease.

The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(iii) Adoption of short term leases or low value assets exemptions

The Company has elected to apply the recognition exemption to its short-term leases of offices (i.e. leases with a term of a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Company has also elected to apply the recognition exemption for leases of low-value assets to leases of photocopiers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(iv) Concessionary leases

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

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

3 **Summary of Significant Accounting Policies (Continued)**

(h) Employee benefits (Continued)

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Provisions

Provisions are recognised when the Company 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.

(j) Economic dependence

Therapy Focus Limited is no longer dependent on the Department of Communities (block funded scheme) for the majority of its revenue used to operate the business. The Federal National Disability Insurance Scheme ("NDIS") has now become the major revenue generating activity for the organisation. The directors experience to date has been that Therapy Focus' customer base has not been significantly impacted by the increased competition arising from the introduction of the NDIS scheme. The directors believe that Therapy Focus Limited is still being seen as the provider of choice for the Company's customers transitioning from the block funded scheme to NDIS. The commercial aspects of this operating model are appreciated by the Company and this cultural change is on-going within the Company. Systems and procedures are being developed to improve efficiency allowing the Company's customers to better utilise their plans due to more accessible therapy delivery options, thereby making the Company more attractive to current and future customers.

(k) Comparative figures

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

4 Critical Accounting Estimates and Judgments

The Board make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - useful lives of property, plant and equipment

As described in Note 3(d), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgments - 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.

Key judgments - lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make. The Company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Company.

Key judgments - employee benefits

For the purpose of measurement, AASB119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows despite an informal Company policy that requires annual leave to be used within 18 months, the Company believes that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

5 Revenue and Other Income

(a) Recurrent

	Note	2021 $	2020 $
Revenue from contracts with customers (AASB 15)			
- Department of Communities (DoC)		**1,765,212**	11,314,194
- National Disability Insurance Scheme (NDIS)		**28,795,777**	19,119,336
- Community aids and equipment programs		**1,256,866**	2,262,237
- Department of Health		**234,398**	175,601
- Other contract revenue		**765,407**	752,411
- Alternative equipment support revenue		**216,537**	445,168
- Sundry income		**323,307**	287,185
Total recurrent revenue		**33,357,504**	34,356,132

(b) Non-recurrent

		2021 $	2020 $
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)			
- Government subsidies - COVID-19		**2,897,636**	2,550,617
Total non-recurrent revenue		**2,897,636**	2,550,617
Total recurrent and non-recurrent revenue		**36,255,140**	36,906,749

(c) Unsatisfied performance obligations

The following table shows the grant revenue expected to be recognised in the future related to the performance obligations that are unsatisfied (partially unsatisfied) at the reporting date.

	Note	2021 $	2020 $
Transaction price allocated to the remaining performance obligation			
Revenue from government grants - main contracts (DoC)		**2,086,254**	3,915,010
Revenue from government grants - Community aids and equipment programs (DoC & NDIS)		**2,437,954**	2,862,951
Revenue from other grants		**117,876**	108,444
	13	**4,642,084**	6,886,405

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Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Result for the Year

The result for the year includes the following specific expenses:

	Note	2021 $	2020 $
Other expenses:			
Depreciation and amortisation expense			
- Property, plant and equipment		**808,496**	562,832
- Right-of-use assets		**546,418**	557,518
Employee benefits expense		**26,834,185**	25,163,001
Interest expense on lease liabilities		**41,459**	42,838
Net loss on disposal of property, plant and equipment		**10,801**	185,096
Short-term lease expense and outgoings		**446,519**	317,055

7 Cash and Cash Equivalents

	Note	2021 $	2020 $
Cash at bank and in hand		**2,179,180**	46,965
Short-term deposits		**10,184,693**	13,158,818
	17	**12,363,873**	13,205,783

Included in cash and cash equivalents is an amount of $219,281 (2020: $181,346) which is not available for use by the Company. This amount relates to guarantees issued to the lessors of premises of the Company.

8 Trade and Other Receivables

	Note	2021 $	2020 $
CURRENT			
Trade receivables		**778,087**	467,854
Provision for impairment	8(a)	**(29,995)**	(29,995)
	17	**748,092**	437,859
GST receivable		**188,733**	-
NDIS receivables	17	**2,363,555**	1,521,437
Interest receivables	17	**5,242**	11,452
Other receivables	17	**130,644**	957,276
		3,436,266	2,928,024

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Notes to the Financial Statements

For the Year Ended 30 June 2021

8 **Trade and Other Receivables (Continued)**

(a) **Impairment of receivables**

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2021	2020
	$	$
Balance at beginning of the year	**(29,995)**	(31,009)
Additional impairment loss recognised	-	(14,833)
Unused amounts reversed	-	15,847
Balance at end of the year	**(29,995)**	(29,995)

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9 **Other Assets**

	2021	2020
CURRENT		
Deposits	**89,014**	52,808
Prepayments	**276,732**	239,227
	365,746	292,035

10 Property, plant and equipment

	2021 $	2020 $
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	**120,725**	333,554
Furniture, fixtures and fittings		
At cost	**543,095**	404,663
Accumulated depreciation	**(336,194)**	(292,678)
Total furniture, fixtures and fittings	**206,901**	111,985
Motor vehicles		
At cost	**2,062,852**	1,686,017
Accumulated depreciation	**(176,100)**	(167,713)
Total motor vehicles	**1,886,752**	1,518,304
Office equipment		
At cost	**310,791**	296,926
Accumulated depreciation	**(285,515)**	(279,375)
Total office equipment	**25,276**	17,551
Computer equipment		
At cost	**1,717,369**	1,310,733
Accumulated depreciation	**(1,323,162)**	(1,178,799)
Total computer equipment	**394,207**	131,934
Computer software		
At cost	**1,435,319**	867,647
Accumulated depreciation	**(738,574)**	(584,090)
Total computer software	**696,745**	283,557
Leasehold improvements		
At cost	**2,377,915**	1,936,335
Accumulated amortisation	**(1,765,679)**	(1,564,345)
Total leasehold improvements	**612,236**	371,990
Total property, plant and equipment	**3,942,842**	2,768,875

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Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Property, plant and equipment (Continued)

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Computer Software	Leasehold Improvements	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2021								
Balance at the beginning of year	333,554	111,985	1,518,304	17,551	131,934	283,557	371,990	2,768,875
Additions	127,714	138,432	2,788,744	13,865	406,636	432,032	236,677	4,144,100
Disposals	-	-	(2,161,637)	-	-	-	-	(2,161,637)
Transfers	(340,543)	-	-	-	-	135,640	204,903	-
Depreciation expense	-	(43,516)	(258,659)	(6,140)	(144,363)	(154,484)	(201,334)	(808,496)
Balance at the end of the year	120,725	206,901	1,886,752	25,276	394,207	696,745	612,236	3,942,842

11 Right-of-use Assets and Lease Liabilities

The Company has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 and 8 years. The Company entered into an agreement for the right of use of a building located at Collier Road Bassendean with Technology Assisting Disability WA (TADWA) for a period of 20 years commencing 29 November 2007. The Company contributed upfront $240,000 towards the construction costs in return for a peppercorn sub-lease. There is an option to renew the lease at the end of the term for an additional term of 20 years.

(a) Right-of-use assets

	2021	2020
	$	$
NON-CURRENT		
Buildings		
At cost	**2,052,758**	1,518,651
Accumulated depreciation	**(1,008,569)**	(545,518)
	1,044,189	973,133
Prepaid building lease payment		
At cost	**109,477**	109,477
Accumulated depreciation	**(24,000)**	(12,000)
	85,477	97,477
Total right-of-use assets	**1,129,666**	1,070,610

(b) Movement in carrying amount

	Buildings	Prepaid building lease payment	Total
	$	$	$
Year ended 30 June 2021			
Balance at beginning of the year	**973,133**	**97,477**	**1,070,610**
Depreciation charge during the year	**(534,418)**	**(12,000)**	**(546,418)**
Additions to right-of-use assets	**338,498**	**-**	**338,498**
Increments in right-of-use assets due to changes in lease liability	**266,976**	**-**	**266,976**
Balance at end of the year	1,044,189	85,477	1,129,666

11 Right-of-use Assets and Lease Liabilities (Continued)

(c) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement Of Financial Position $
2021					
Lease liabilities	**593,384**	**553,042**	-	**1,146,426**	**1,103,715**
2020					
Lease liabilities	447,418	558,644	-	1,006,062	962,017

	Note	2021 $	2020 $
CURRENT			
Lease liabilities		**565,259**	418,670
	17	**565,259**	418,670
NON-CURRENT			
Lease liabilities		**538,456**	543,347
	17	**538,456**	543,347

(d) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
Interest expense on lease liabilities	**41,459**	42,838
Expense relating to short-term leases	**139,674**	44,215
Variable lease payments not included in the measurement of lease liabilities	**306,845**	272,840
Depreciation of right-of-use assets	**546,418**	557,518
Expense relating to leases of low-value assets (including in program expense)	**65,525**	71,861
	1,099,921	989,272

12 Trade and Other Payables

	Note	2021 $	2020 $
CURRENT			
Trade payables	17	**629,396**	343,513
GST payable		**-**	313,906
Accrued expenses	17	**508,614**	381,942
		1,138,010	1,039,361

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Contract Liabilities

	Note	2021 $	2020 $
CURRENT			
Alternative funding provider		**93,298**	63,948
DOC		**1,659,955**	3,596,992
DOC - Autism Assessments		**-**	165,552
DOC - Community aids and equipment programs		**250,619**	332,652
DOC - Continence Project		**352,469**	9,780
DOC - Diagnostic Assessment		**42,686**	42,686
NDIS - Community aids and equipment programs		**21,967**	21,967
WANDIS		**31,144**	100,000
WANDIS - Community aids and equipment programs		**2,165,368**	2,508,332
Others		**24,578**	44,496
	5(c)	**4,642,084**	6,886,405

Grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15. The amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

14 Employee Benefits

	2021 $	2020 $
CURRENT		
Annual leave	**2,059,264**	1,834,971
Long service leave	**904,377**	823,815
	2,963,641	2,658,786
NON-CURRENT		
Long service leave	**551,142**	482,859
	551,142	482,859

14 Employee Benefits (Continued)

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion of this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits have been disclosed in Note 3(h) to this report.

15 Reserves

(a) The Complete Advantage

- To assist with the establishment costs of clinics as required. The balance was transferred to retained earnings during the year.

(b) Accommodation Development

- To assist with the establishment of new Therapy Focus bases as required. The balance was transferred to retained earnings during the year.

(c) Information Technology Reserve

- Established for the information systems strategic plan and Mirrabooka office refurbishment project. The balance was transferred to retained earnings during the year.

(d) Scholarship Fund

- To be used to add value to graduated clients and possibly develop a relationship that in turn has them acting as our ambassador.

(e) GIVE Reserve

- To assist with the purchase of items and activities that support independence, participation and social inclusion of people with disabilities and their families.

16 Capital and Contractual Commitments

Contractual commitments

	Note	2021 $	2020 $
Non-cancellable commitments contracted for but not capitalised in the financial statements:			
- not later than one year		**17,248**	440,059
- between one year and five years		-	105,242
- later than five years		-	80,926
		17,248	626,227

The Company has entered into various contracts for premises and photocopiers which normally have a term between 1 and 3 years. Lease payments are increased on an annual basis to reflect market rentals.

17 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

Financial instruments used

The principal categories of financial instrument used by the Company are cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities.

	Note	2021 $	2020 $
Financial assets			
Cash and cash equivalents	7	**12,363,873**	13,205,783
Trade and other receivables	8	**3,247,533**	2,928,024
Total financial assets		**15,611,406**	16,133,807
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12	**(1,138,010)**	(725,455)
- Lease liabilities	11(c)	**(1,103,715)**	(962,017)
Total financial liabilities		**(2,241,725)**	(1,687,472)
Total		**13,369,681**	14,446,335

18 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 $ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 6 (2020: 9).

Therapy Focus

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Notes to the Financial Statements

For the Year Ended 30 June 2021

19 Cash Flow Information

(a) Reconciliation of cash

	2021	2020
	$	$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	**12,363,873**	13,205,783

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
Surplus for the year	**2,661,526**	2,717,247
Non-cash flows in surplus:		
- depreciation - property, plant and equipment	**808,496**	562,832
- depreciation - right-of-use assets	**546,418**	557,518
- net loss on disposal of property, plant and equipment	**10,801**	185,096
- provision for doubtful debts	**-**	14,833
- GIVE program	**(57,624)**	16,457
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(319,509)**	(2,079,880)
- (increase)/decrease in prepayments	**(73,711)**	58,884
- increase/(decrease) in contact liabilities	**(2,244,321)**	(1,541,034)
- increase/(decrease) in trade and other payables	**(90,084)**	(453,488)
- increase/(decrease) in employee benefits	**373,138**	566,686
Cashflows from operations	**1,615,130**	605,151

20 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is $ 1,220,434 (2020: $ 1,062,346).

21 Auditors' Remuneration

	2021	2020
Remuneration of the auditor Dry Kirkness, for:		
- auditing or reviewing the financial statements	**26,786**	21,198
- other services	**1,162**	-
Remuneration of other auditors Butler Settineri, for:		
- controls assurance services	**12,606**	-
Total	**40,554**	21,198

22 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 October 2021 by the Board.

In March 2020 Australia was affected by the COVID-19 Pandemic. There were two COVID-19 lockdowns during the year which reduced the level of the Company's activities. At the date of this report, the Company is operating at 100% of its pre COVID-19 capacity and continues to monitor the risk closely. Therapy Focus developed systems to deliver services virtually to ensure service continuity to maintain financial sustainability.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

24 Statutory Information

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

Therapy Focus Limited
Suite 5, 1140 Albany Highway
BENTLEY
WA 6102

Therapy Focus Limited

ABN: 67 796 715 775

Directors' Declaration

The directors of the Company declare that:

- the financial statements and notes, as set out on pages 6 - 31 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:

  (a) comply with Australian Accounting Standards - Simplified Disclosures; and

  (b) give a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance and cash flows for the year ended on that date.

- in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Chairperson .... Fiona Payne

Director .... Rachel Cottier

Dated this 25th day of October 2021

DRY / KIRKNESS

INDEPENDENT AUDITOR'S REPORT

To the members of Therapy Focus Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Therapy Focus Limited ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended; and

(b) complying with Australian Accounting Standards - Simplified Disclosures 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 auditor 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - COVID-19 Developments

We draw attention to Note 23 (Events after the end of the Reporting Period), in the financial report, which describes events subsequent to year end and specifically the possible effects of the future implications of COVID-19 pandemic on Therapy Focus Limited's future financial position and performance. As set out in Note 23, no adjustments have been made to the financial report as at 30 June 2021 for the impacts of COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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

The Board is responsible for the other information. The other information comprises the information included in the Company's Directors' report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board for the Financial Report

Management of the Company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012,* preparation of the financial report in accordance with Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947 ("the Act and Regulations")* and for such internal control as management determines is necessary to enable the preparation of a 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, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.

In addition, we have:

- Obtained an understanding of the internal control structure for fundraising appeal activities.
- Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of the Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*

In our opinion, the Company has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947* for the year ended 30 June 2021.

DRY KIRKNESS

M A KIRKNESS
Partner

Date: 25 October 2021
West Perth
Western Australia

DRY / KIRKNESS

Auditor's Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012

To: the Board of Therapy Focus Limited

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

(i) no contraventions of the auditor 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.

DRY KIRKNESS

M A KIRKNESS
Partner

Dated: 25 October 2021
West Perth,
Western Australia

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND