

# **Jigsaw Group (AUS) Limited**

**ABN 87 624 033 487**

**Financial Statements - 30 September 2022**

**Jigsaw Group (AUS) Limited**  
**Contents**  
**30 September 2022**



Directors' report	2
Auditor's independence declaration	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	21
Independent auditor's report	22



The directors present their report, together with the financial statements, on the company for the year ended 30 September 2022.

**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:

Tim Powell  
Laura O'Reilly  
Stephen Cake  
Robert Buckingham

**Principal activities**

During the financial year the principal continuing activities of the company are training people with disability through its document and data management business training program and supporting their transition to secure mainstream employment.

**Company secretary**

Christopher Mottram was appointed as Company Secretary on 1 June 2022. Christine Charron-Doucet resigned as Company Secretary on 1 June 2022.

**Contributions on winding up**

In the event of the company being wound up, members are required to contribute a maximum of \$10 each.

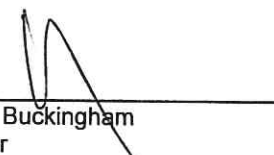
The total amount that members of the company are liable to contribute if the company is wound up is \$40, based on 4 current ordinary members.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

On behalf of the directors

  
\_\_\_\_\_  
Laura O'Reilly  
Director

  
\_\_\_\_\_  
Robert Buckingham  
Director

27 March 2023



#### LBW & Partners

Chartered Accountants & Business Advisors  
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Rupa Dharmasiri

George P Rochios

Mark W Willock

## Jigsaw Group (AUS) Limited

ABN: 87 624 033 487

## Auditor's Independence Declaration to the Directors of Jigsaw Group (AUS) Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 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.

Rupaninga Dharmasiri  
Partner

LBW & Partners  
Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Dated this 27<sup>th</sup> day of March 2023

**Jigsaw Group (AUS) Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 September 2022**



	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Revenue from contracts with customers:		
- Service revenue	5,642,427	3,896,553
- Grants	718,653	764,345
- Business revenue	3,090,108	1,237,567
Donations	40,834	250
Interest income	1,010	-
Other	274	1,818
Total revenue	<u>9,493,306</u>	<u>5,900,533</u>
<b>Expenses</b>		
Administration expenses	(1,574,007)	(918,957)
Service delivery expenses	(8,763,564)	(5,209,858)
Finance costs	(145,236)	(93,172)
Total expenses	<u>(10,482,807)</u>	<u>(6,221,987)</u>
<b>Deficit for the year</b>	(989,501)	(321,454)
Other comprehensive income for the year	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u><u>(989,501)</u></u>	<u><u>(321,454)</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Jigsaw Group (AUS) Limited**  
**Statement of financial position**  
**As at 30 September 2022**



	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,018,277	2,043,887
Trade and other receivables	7	1,496,459	489,910
Other assets	8	55,311	52,726
Total current assets		<u>2,570,047</u>	<u>2,586,523</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	280,667	208,891
Right-of-use assets	10	1,953,797	2,417,716
Other financial assets	11	228,535	127,246
Total non-current assets		<u>2,462,999</u>	<u>2,753,853</u>
<b>Total assets</b>		<u>5,033,046</u>	<u>5,340,376</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	601,122	302,809
Contract liabilities	13	565,230	99,090
Borrowings	14	443,053	11,301
Lease liabilities	15	385,191	189,731
Employee benefits	16	353,398	272,682
Total current liabilities		<u>2,347,994</u>	<u>875,613</u>
<b>Non-current liabilities</b>			
Borrowings	14	1,412,718	1,855,771
Lease liabilities	15	2,035,735	2,407,908
Employee benefits	16	63,015	37,999
Provisions	17	50,000	50,000
Total non-current liabilities		<u>3,561,468</u>	<u>4,351,678</u>
<b>Total liabilities</b>		<u>5,909,462</u>	<u>5,227,291</u>
<b>Net assets/(liabilities)</b>		<u>(876,416)</u>	<u>113,085</u>
<b>Equity</b>			
Retained surplus/(accumulated deficit)		<u>(876,416)</u>	<u>113,085</u>
<b>Total equity/(deficiency)</b>		<u>(876,416)</u>	<u>113,085</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Jigsaw Group (AUS) Limited**  
**Statement of changes in equity**  
**For the year ended 30 September 2022**



	<b>Retained surplus/ (deficit) \$</b>	<b>Total equity/ (deficiency) \$</b>
Balance at 1 October 2020	434,539	434,539
Deficit for the year	(321,454)	(321,454)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(321,454)	(321,454)
Balance at 30 September 2021	<u>113,085</u>	<u>113,085</u>
	<b>Retained surplus/ (deficit) \$</b>	<b>Total equity/ (deficiency) \$</b>
Balance at 1 October 2021	113,085	113,085
Deficit for the year	(989,501)	(989,501)
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(989,501)	(989,501)
Balance at 30 September 2022	<u>(876,416)</u>	<u>(876,416)</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Jigsaw Group (AUS) Limited**  
**Statement of cash flows**  
**For the year ended 30 September 2022**



	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Income received from donations, fundraising, grants and services (inclusive of GST)		9,248,944	5,903,385
Payments to suppliers and employees (inclusive of GST)		(9,717,624)	(5,623,569)
Interest received		1,010	-
Interest on lease liabilities		(75,433)	(50,055)
Interest paid on borrowings		(69,803)	(25,631)
		<u>                    </u>	<u>                    </u>
Net cash from/(used in) operating activities		(612,906)	204,130
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(123,401)	(36,209)
Payments for term deposits		(101,289)	(127,246)
		<u>                    </u>	<u>                    </u>
Net cash used in investing activities		(224,690)	(163,455)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	1,606,883
Repayment of borrowings		(11,301)	(210,938)
Repayment of lease liabilities		(176,713)	(201,969)
		<u>                    </u>	<u>                    </u>
Net cash from/(used in) financing activities		(188,014)	1,193,976
Net increase/(decrease) in cash and cash equivalents		(1,025,610)	1,234,651
Cash and cash equivalents at the beginning of the financial year		2,043,887	809,236
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial year	6	<u>1,018,277</u>	<u>2,043,887</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*



## **Note 1. General information**

The financial statements cover Jigsaw Group (AUS) Limited (the company) as an individual entity. The financial statements are presented in Australian dollars, which is Jigsaw Group (AUS) Limited's functional and presentation currency.

Jigsaw Group (AUS) Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

22 Rodborough Road  
Frenchs Forest, NSW 2086

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 statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 March 2023.

## **Note 2. Significant accounting policies**

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.

### **New or amended Accounting Standards and Interpretations adopted**

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standard is most relevant to the company:

### ***AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities***

The company has adopted AASB 1060 from 1 October 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties and financial instruments.

## **Note 2. Significant accounting policies (continued)**

### **Going concern**

The entity relies on its parent entity Fighting Chance Australia Limited for financial support as required. The entity and its parent entity (the consolidated entity) has sustained a loss for the year ended 30 September 2022 of \$3,020,583 (2021: \$23,466) and recorded a net operating cash inflow of \$133,257 (2021: inflow of \$1,636,959). As at September 2022 the consolidated entity's working capital amounted to \$649,873. There continue to be cost pressures on labour and supplies under the current economic environment. These factors indicate uncertainty on the consolidated entity's ability to continue as a going concern. The directors have prepared these financial statements on a going concern basis due to the following reasons:

- The consolidated entity has recorded year to date losses in its management accounts to February 2023 and is forecasting a full year loss of \$1.7m. The year to date result is tracking slightly behind (\$0.1m) the budget forecast set in September 2022. The consolidated entity is forecasting to generate monthly surpluses from normal operations from June 2023 based on management's projections.
- COVID-19 prolonged lockdowns and general mobility levels had an adverse impact on the consolidated entity's operations for the year ended 30 September 2022. The outlook for the next 12 months for the consolidated entity is positive with less disruptions to service under the revised Health guidelines.
- The consolidated entity retained cash and cash equivalents of \$3,065,856 at 30 September 2022.
- Included in current liabilities of the consolidated entity is an amount of \$539,826 of grant income that has been received and where the conditions of the grant can be met without incurring any further direct expenditure
- The consolidated entity has taken steps to reduce losses and return to surplus within the next 12 to 18 months. These actions include:
  - o Increasing the number of participant activities across all centres where capacity exists
  - o Reducing operational costs where efficiency gains can be achieved without impacting outcomes
  - o Under its business model, the consolidated entity continues to seek external support from philanthropic donations and grants to fund programs to achieve positive participant outcomes

### **Comparatives**

Certain comparatives in the statement of financial position have been realigned to the current period presentation.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures* issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012* as appropriate for not-for profit oriented entities.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Revenue recognition**

#### *Revenue from contracts with customers*

The company recognises revenue under AASB 1058 or AASB 15 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a service to a customer). Revenue is measured based on the consideration to which the company expects to be entitled in a contract with parties.

In other cases, AASB 1058 applies when a not-for-profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Revenue recognition policy for principal revenue sources of the company are as follows:

## Note 2. Significant accounting policies (continued)

### *Service revenue (NDIS)*

NDIS is a fee for service program that the company claims the fees from the funding body National Disability Insurance Agent (NDIA) for services provided to NDIS participants.

Service revenue is recognised when the related services have been delivered and the right to claim the fees is established.

### *Business revenue*

The company provides training to people with disability and services for digitisation program to businesses. Business revenue is recognised when the services have been delivered.

### *Grants*

When the company receives grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the company:

- identifies 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.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

### *Other revenue*

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

## **Income tax**

As the company is a registered charity in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## **Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Fixtures and fittings	4 - 20 years
Office equipment	2 - 10 years

## **Note 2. Significant accounting policies (continued)**

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### **Financial instruments**

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*

Company's financial assets represent cash and equivalents, trade and other receivables and term deposits. These financial assets are measured at amortised cost.

#### *Amortised cost*

Subsequent to initial recognition, company's financial assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

For assets measured at amortised cost, credit losses are measured as the present value of the difference between the cash flows due to the company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach. For trade receivables impairment has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company determines the probability of non-payment of the receivable and multiplying this by the amount of the expected loss arising from default.

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.

#### *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 of trade and other payables, borrowings and lease liabilities.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **Note 2. Significant accounting policies (continued)**

### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Contract liabilities**

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

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### **Provisions**

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### **Employee benefits**

#### *Short-term employee benefits*

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

## Note 2. Significant accounting policies (continued)

### *Other long-term employee benefits*

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

### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

## Note 3. Critical accounting judgements, estimates and assumptions

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

### *Grants*

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

### *Coronavirus (COVID-19) pandemic*

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

## Note 4. Revenue

Revenue includes the following amounts from government sources:

**Note 4. Revenue (continued)**

	2022 \$	2021 \$
<b>Revenue received from the Government:</b>		
<b>Commonwealth government</b>		
National Disability Insurance Agency - NDIS payments	5,642,427	3,896,553

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	2022 \$	2021 \$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	8,732,535	5,134,120
Services transferred over time	718,653	764,345
	<u>9,451,188</u>	<u>5,898,465</u>

**Note 5. Expenses**

	2022 \$	2021 \$
Deficit includes the following specific expenses:		
<i>Employee benefits expense</i>		
Wages and salaries	7,380,233	4,300,243
Defined contribution superannuation expense	738,124	410,667
Other employee benefits	105,732	109,086
	<u>8,224,089</u>	<u>4,819,996</u>
<i>Depreciation and amortisation</i>		
Office premises - right-of-use	463,919	315,012
Property, plant and equipment	51,069	77,287
	<u>514,988</u>	<u>392,299</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	69,803	43,117
Interest and finance charges paid/payable on lease liabilities	75,433	50,055
	<u>145,236</u>	<u>93,172</u>

**Note 6. Cash and cash equivalents**

	2022 \$	2021 \$
<i>Current assets</i>		
Cash at bank	<u>1,018,277</u>	<u>2,043,887</u>



**Note 7. Trade and other receivables**

	2022 \$	2021 \$
<i>Current assets</i>		
Trade receivables	515,348	213,234
Other receivables	51,780	27,529
Related party receivable - Fighting Chance Australia Ltd	929,331	249,147
	<u>1,496,459</u>	<u>489,910</u>

**Note 8. Other assets**

	2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	25,311	22,726
Security deposits	30,000	30,000
	<u>55,311</u>	<u>52,726</u>

**Note 9. Property, plant and equipment**

	2022 \$	2021 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	44,305	29,300
Less: Accumulated depreciation	(13,327)	(8,648)
	<u>30,978</u>	<u>20,652</u>
Fixtures and fittings - at cost	64,816	66,083
Less: Accumulated depreciation	(25,782)	(23,071)
	<u>39,034</u>	<u>43,012</u>
Office equipment - at cost	372,773	266,554
Less: Accumulated depreciation	(162,118)	(121,327)
	<u>210,655</u>	<u>145,227</u>
	<u>280,667</u>	<u>208,891</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements \$	Fixtures & fittings \$	Office equipment \$	Total \$
Balance at 1 October 2021	20,652	43,012	145,227	208,891
Additions	15,005	2,177	106,219	123,401
Disposals	-	(556)	-	(556)
Depreciation expense	(4,679)	(5,599)	(40,791)	(51,069)
Balance at 30 September 2022	<u>30,978</u>	<u>39,034</u>	<u>210,655</u>	<u>280,667</u>



**Note 10. Right-of-use assets**

	2022 \$	2021 \$
<i>Non-current assets</i>		
Office premises - right-of-use	2,905,216	2,905,216
Less: Accumulated depreciation	<u>(951,419)</u>	<u>(487,500)</u>
	<u>1,953,797</u>	<u>2,417,716</u>

The company leases land and buildings for its offices under agreements of between 5 to 7 years with, in some cases, options to extend. The leases have various escalation clauses and on renewal, the terms of the leases are renegotiated.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office premises - right-of-use \$	Total \$
Balance at 1 October 2021	2,417,716	2,417,716
Depreciation expense	<u>(463,919)</u>	<u>(463,919)</u>
Balance at 30 September 2022	<u>1,953,797</u>	<u>1,953,797</u>

**Note 11. Other financial assets**

	2022 \$	2021 \$
<i>Non-current assets</i>		
Term deposits	<u>228,535</u>	<u>127,246</u>

Term deposits are held by the bank as security for performance on office leases.

**Note 12. Trade and other payables**

	2022 \$	2021 \$
<i>Current liabilities</i>		
Trade payables	103,403	21,954
PAYG & Superannuation payable	169,050	90,328
Accrued expenses	216,279	82,453
GST payable	36,054	14,331
Related party payable - Fighting Chance Australia Ltd	68,007	92,757
Other payables	<u>8,329</u>	<u>986</u>
	<u>601,122</u>	<u>302,809</u>



**Note 13. Contract liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Contract liabilities - Business income	25,404	27,558
Contract liabilities - Grants	539,826	71,532
	<u>565,230</u>	<u>99,090</u>

**Note 14. Borrowings**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Secured loan - equipment	5,771	11,301
Secured loan - SEFA	437,282	-
	<u>443,053</u>	<u>11,301</u>
<i>Non-current liabilities</i>		
Secured loan - equipment	-	5,771
Secured loan - SEFA	1,412,718	1,850,000
	<u>1,412,718</u>	<u>1,855,771</u>
	<u>1,855,771</u>	<u>1,867,072</u>

*Total secured liabilities*

The total secured liabilities are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Secured loan - equipment	5,771	17,072
Secured loan - SEFA loan	1,850,000	1,850,000
	<u>1,855,771</u>	<u>1,867,072</u>

*Assets pledged as security*

Equipment loan is secured by computer equipment with a written down value of \$12,196 as at 30 September 2022.

The SEFA loan is secured by a General Security Deed. The loan bears interest at 3.75% per annum. Interest is payable quarterly and the principal is repayable in four annual instalments commencing on 31 March 2023.



**Note 15. Lease liabilities**

	2022 \$	2021 \$
<i>Current liabilities</i>		
Lease liability - Office premises - Fighting Chance Australia Ltd	186,707	171,961
Lease liability - Office premises - Other	198,484	17,770
	<u>385,191</u>	<u>189,731</u>
<i>Non-current liabilities</i>		
Lease liability - Office premises - Fighting Chance Australia Ltd	758,382	945,090
Lease liability - Office premises - Other	1,277,353	1,462,818
	<u>2,035,735</u>	<u>2,407,908</u>
	<u><u>2,420,926</u></u>	<u><u>2,597,639</u></u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	439,271	265,009
One to five years	2,142,013	2,319,897
More than five years	-	261,388
	<u>2,581,284</u>	<u>2,846,294</u>

**Note 16. Employee benefits**

	2022 \$	2021 \$
<i>Current liabilities</i>		
Annual leave	353,398	272,682
<i>Non-current liabilities</i>		
Long service leave	63,015	37,999
	<u>416,413</u>	<u>310,681</u>

**Note 17. Provisions**

	2022 \$	2021 \$
<i>Non-current liabilities</i>		
Lease make good	50,000	50,000
	<u><u>50,000</u></u>	<u><u>50,000</u></u>

## Note 18. Financial instruments

	2022 \$	2021 \$
<b>Financial assets</b>		
<i>Financial assets held at amortised cost</i>		
Cash and cash equivalents	1,018,277	2,043,887
Trade and other receivables	1,496,459	489,910
<b>Total financial assets</b>	<u>2,514,736</u>	<u>2,533,797</u>
<b>Financial liabilities</b>		
<i>Financial liabilities held at amortised cost</i>		
Trade and other payables	601,122	302,809
Borrowings	1,855,771	1,867,072
Lease liabilities	2,420,926	2,597,639
<b>Total financial liabilities</b>	<u>4,877,819</u>	<u>4,767,520</u>

## Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by LBW & Partners, the auditor of the company:

	2022 \$	2021 \$
<i>Audit services - LBW &amp; Partners</i>		
Audit of the financial statements	<u>7,500</u>	<u>5,150</u>
<i>Other services - LBW &amp; Partners</i>		
Taxation	<u>550</u>	<u>500</u>
	<u><u>8,050</u></u>	<u><u>5,650</u></u>

## Note 20. Key management personnel disclosures

### Compensation

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

The aggregate compensation made to key management personnel of the company is set out below:

	2022 \$	2021 \$
Aggregate compensation	<u><u>134,355</u></u>	<u><u>164,452</u></u>

## Note 21. Related party transactions

### Parent entity

Fighting Chance Australia Ltd is the parent entity.

### Key management personnel

Disclosures relating to key management personnel are set out in note 20.

**Note 21. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Sale of services:		
Services rendered to Hireup Pty Ltd (director related entity) - Work carried out by Jigsaw Group's employees with a disability for Hireup. This arrangement was entered into to provide work experience opportunities for employees participating in the Jigsaw program	893,410	272,520
Payment for services:		
Licence fee paid to Fighting Chance Australia Ltd	700,000	200,000
Purchase of services from Hireup Pty Ltd	63,050	21,043

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Receivables from /(payable to) Fighting Chance Australia Ltd (net)	(893,410)	156,390
Lease payable to Fighting Chance Australia Ltd	(945,090)	(1,117,051)

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 22. Economic dependency**

The company is dependent on the Government for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Government will not continue to support the company.

**Note 23. Contingent liabilities**

The company had no contingent liabilities as at 30 September 2022 and 30 September 2021.

**Note 24. Commitments**

The company had no commitments as at 30 September 2022 and 30 September 2021.

**Note 25. Coronavirus (COVID-19) Pandemic**

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

**Note 26. Events after the reporting period**

No matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Jigsaw Group (AUS) Limited**  
**Directors' declaration**  
**30 September 2022**




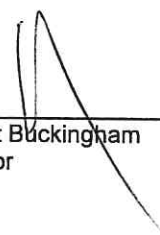
The directors of the company declare that:

- the attached financial statements and notes comply with the *Australian Accounting Standards - Simplified Disclosures*, the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 September 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

  
\_\_\_\_\_  
Laura O'Reilly  
Director  
27 March 2023

  
\_\_\_\_\_  
Robert Buckingham  
Director



#### **LBW & Partners**

Chartered Accountants & Business Advisors  
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#### **Partners**

Elias Y Bader

Rupa Dharmasiri

George P Rochios

Mark W Willock

## **Jigsaw Group (AUS) Limited**

ABN: 87 624 033 487

# **Independent Auditor's Report to the Members of Jigsaw Group (AUS) Limited**

## **Opinion**

We have audited the accompanying financial report of Jigsaw Group (AUS) Limited (the company), which comprises the statement of financial position as at 30 September 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 the company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) Giving true and fair view of the company's financial position as at 30 September 2022 and of its financial performance for the year then ended; and
- (b) Complying with *Australian Accounting Standards – Simplified Disclosures*, and the Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

## **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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.

## **Responsibilities of Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Accounting Standards – Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine 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.



## **Jigsaw Group (AUS) Limited**

ABN: 87 624 033 487

# **Independent Auditor's Report to the Members of Jigsaw Group (AUS) Limited**

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

### **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.

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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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





**Jigsaw Group (AUS) Limited**

ABN: 87 624 033 487

**Independent Auditor's Report to the Members of Jigsaw Group (AUS) Limited**

A handwritten signature in blue ink, appearing to read 'Dharmasiri'.

Rupaninga Dharmasiri  
Partner

LBW & Partners  
Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Dated this 27<sup>th</sup> March 2023