

Althea Projects Incorporated

ABN: 47 280 156 982

Financial Statements

For the Year Ended 30 June 2023

Althea Projects Incorporated

ABN: 47 280 156 982

Contents
For the Year Ended 30 June 2023

| | Page |
|--|------|
| Financial Statements | |
| Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 | 1 |
| Statement of Profit or Loss and Other Comprehensive Income | 2 |
| Statement of Financial Position | 3 |
| Statement of Changes in Equity | 4 |
| Statement of Cash Flows | 5 |
| Notes to the Financial Statements | 6 |
| Responsible Entities' Declaration | 20 |
| Independent Audit Report | 21 |



JESSUPS

INDEPENDENCE DECLARATION

**TO THE MANAGEMENT COMMITTEE OF
ALTHEA PROJECTS INCORPORATED
FOR THE YEAR ENDED 30 JUNE 2023**

We declare that, to the best of our knowledge and belief, in relation to the audit of Althea Projects Incorporated for the year ended 30 June 2023, there have been:

- 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*; and
- no contraventions of any applicable code of professional conduct.

Jessups

Paul Sapelli
Partner

Dated: 17 November 2023

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

| | | 2023 | 2022 |
|--|------|----------------|----------------|
| | Note | \$ | \$ |
| Revenue and other income | 3 | 4,989,553 | 4,566,340 |
| Employee benefits expense | | (3,384,978) | (3,108,663) |
| Depreciation and amortisation expense | | (195,027) | (181,643) |
| Other expenses | 4 | (1,110,806) | (1,092,496) |
| Profit before income tax | | 298,742 | 183,538 |
| Income tax expense | 2(b) | - | - |
| Profit for the year | | 298,742 | 183,538 |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | 298,742 | 183,538 |

The accompanying notes form part of these financial statements.

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Financial Position

As At 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 1,153,788 | 1,267,032 |
| Trade and other receivables | 6 | 150,943 | 95,009 |
| Other financial assets | 7 | 918,448 | 895,797 |
| TOTAL CURRENT ASSETS | | 2,223,179 | 2,257,838 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 6 | 21,151 | - |
| Property, plant and equipment | 8 | 701,624 | 282,281 |
| Right-of-use assets | 12 | 792,190 | 867,819 |
| TOTAL NON-CURRENT ASSETS | | 1,514,965 | 1,150,100 |
| TOTAL ASSETS | | 3,738,144 | 3,407,938 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 305,162 | 301,923 |
| Contract liabilities | 10 | 89,329 | - |
| Lease liabilities | 12 | 112,611 | 105,695 |
| Employee benefits | 11 | 267,968 | 278,214 |
| TOTAL CURRENT LIABILITIES | | 775,070 | 685,832 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 12 | 701,509 | 772,902 |
| Employee benefits | 11 | 33,543 | 19,924 |
| TOTAL NON-CURRENT LIABILITIES | | 735,052 | 792,826 |
| TOTAL LIABILITIES | | 1,510,122 | 1,478,658 |
| NET ASSETS | | 2,228,022 | 1,929,280 |
| EQUITY | | | |
| Retained earnings | | 2,228,022 | 1,929,280 |
| TOTAL EQUITY | | 2,228,022 | 1,929,280 |

The accompanying notes form part of these financial statements.

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Changes in Equity For the Year Ended 30 June 2023

2023

| | Retained Earnings | Total |
|-------------------------|----------------------|-----------|
| | \$ | \$ |
| Balance at 1 July 2022 | 1,929,280 | 1,929,280 |
| Profit for the year | 298,742 | 298,742 |
| Balance at 30 June 2023 | 2,228,022 | 2,228,022 |

2022

| | Retained Earnings | Total |
|-------------------------|----------------------|-----------|
| | \$ | \$ |
| Balance at 1 July 2021 | 1,745,742 | 1,745,742 |
| Profit for the year | 183,538 | 183,538 |
| Balance at 30 June 2022 | 1,929,280 | 1,929,280 |

The accompanying notes form part of these financial statements.

Althea Projects Incorporated

ABN: 47 280 156 982

Statement of Cash Flows For the Year Ended 30 June 2023

| | 2023 | 2022 |
|---|-------------|-------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 5,475,322 | 4,767,111 |
| Payments to suppliers and employees | (4,979,133) | (4,606,808) |
| Dividends received | 35,607 | 48,486 |
| Interest received | 7,148 | 1,399 |
| Interest paid | (31,165) | (21,404) |
| Net cash provided by/(used in) operating activities | 507,779 | 188,784 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (496,141) | (93,815) |
| Purchase of financial assets | (17,804) | (17,605) |
| Net cash provided by/(used in) investing activities | (513,945) | (111,420) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of lease liabilities | (107,078) | (103,682) |
| Net cash provided by/(used in) financing activities | (107,078) | (103,682) |
| Net increase/(decrease) in cash and cash equivalents held | (113,244) | (26,318) |
| Cash and cash equivalents at beginning of year | 1,267,032 | 1,293,350 |
| Cash and cash equivalents at end of financial year | 5 1,153,788 | 1,267,032 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Althea Projects Incorporated as an individual entity. Althea Projects Incorporated is a not-for-profit Entity, registered and domiciled in Australia.

The principal activities of the Entity for the year ended 30 June 2023 were to strengthen and support families so children and young people can reach their full potential. This is achieved by delivering and supporting various projects and initiatives to support families across the community.

The functional and presentation currency of Althea Projects Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Entity is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The Entity is preparing special purpose financial statements as the Management committee is of the opinion that the Entity is not a reporting entity as users may obtain the financial information they require upon request.

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Entity expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Entity have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Entity are:

Grant Income

AASB 15 – Revenue from Contracts with Customers

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations are varied based on the agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and 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.

AASB 1058 – Income of Not-for-Profit Entities

Amounts arising from grants in the scope of AASB 1058 (i.e. contracts which are either not enforceable or do not have sufficiently specific performance obligations) are recognised at the assets fair value when the asset is received. The Entity considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Donations and Fundraising

Donations collected and fundraising income are recognised as revenue when the Entity gains control of the asset.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Entity presents the contract as a contract asset, unless the Entity's rights to that amount of consideration are unconditional, in which case the Entity recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Entity presents the contract as a contract liability.

Other income

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

(b) Income Tax

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

(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.

(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 significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Entity, 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.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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 Entity classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

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

Amortised cost

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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Entity's financial assets measured at FVTPL comprise unlisted equity investments in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Entity's historical experience and informed credit assessment and including forward looking information.

The Entity uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Entity uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Entity in full, without recourse to the Entity to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Entity in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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 Entity 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 finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Where the Entity renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

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.

Financial liabilities

The Entity 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 Entity comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Entity determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Leases

Lease assessment at contract inception

At inception of a contract, the Entity assesses whether a lease exists.

Right-of-use asset

At the lease commencement, the Entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Entity's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Entity's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Adoption of short term leases or low value asset exception

Exceptions to lease accounting

The Entity has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Entity recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Entity'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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Employee benefits

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.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

3 Revenue and Other Income

| | 2023 | 2022 |
|------------------------|------------------|-------------|
| | \$ | \$ |
| Grant income | 4,264,152 | 4,135,526 |
| Fee for service income | 368,269 | 109,885 |
| Meal income | 78,123 | 91,578 |
| Dividends received | 65,957 | 48,486 |
| Fundraising income | 91,587 | 72,454 |
| Donation income | 28,752 | 23,352 |
| Sundry income | 92,713 | 85,058 |
| | 4,989,553 | 4,566,340 |

Althea Projects Incorporated

ABN: 47 280 156 982

Notes to the Financial Statements For the Year Ended 30 June 2023

4 Other Expenses

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| Accounting and audit fees | 7,113 | 22,411 |
| Advertising | 20,646 | 24,043 |
| Cleaning | 49,755 | 43,216 |
| Client support costs | 49,717 | 71,137 |
| Computer costs | 95,087 | 96,801 |
| Consultancy fees | 40,907 | 12,405 |
| Emergency relief payments | 356,597 | 317,610 |
| Employment support and supervision | 10,366 | 12,974 |
| Insurance | 54,998 | 43,071 |
| Interest expense | 31,165 | 21,404 |
| Meal preparation expenses | 29,359 | 52,223 |
| Motor vehicle expenses | 27,075 | 25,942 |
| Other expenses | 59,659 | 58,273 |
| Portable long service leave leavey | 39,567 | 34,750 |
| Printing and stationery | 16,295 | 15,943 |
| Projects expense | 24,820 | 29,269 |
| Rates | 26,110 | 25,455 |
| Recruitment expenses | 18,027 | 45,497 |
| Relocation expenses | - | 8,054 |
| Rent | 3,875 | 4,271 |
| Repairs and maintenance | 51,174 | 35,820 |
| Telephone expense | 29,573 | 28,493 |
| Travel costs | 35,511 | 28,184 |
| Utilities | 33,408 | 35,251 |
| | 1,110,806 | 1,092,496 |

5 Cash and Cash Equivalents

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank and in hand | 1,153,788 | 1,267,032 |
| | 1,153,788 | 1,267,032 |

Althea Projects Incorporated

ABN: 47 280 156 982

Notes to the Financial Statements For the Year Ended 30 June 2023

6 Trade and other receivables

| | 2023 | 2022 |
|-------------------------------|----------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 37,305 | 42,943 |
| Accrued income | 6,777 | - |
| Portable LSL reimbursement | 9,627 | - |
| Prepayments | 66,885 | 52,067 |
| Imputation credits receivable | 30,350 | - |
| | <u>150,943</u> | <u>95,009</u> |
| NON-CURRENT | | |
| Portable LSL reimbursement | 21,151 | - |
| | <u>21,151</u> | <u>-</u> |

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.

7 Other Financial Assets

Financial assets at fair value through profit or loss

| | 2023 | 2022 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Shares in unlisted public companies | 918,448 | 895,797 |
| | <u>918,448</u> | <u>895,797</u> |

Althea Projects Incorporated

ABN: 47 280 156 982

Notes to the Financial Statements For the Year Ended 30 June 2023

8 Property, plant and equipment

| | 2023 \$ | 2022 \$ |
|--|----------------|----------------|
| Buildings | | |
| At cost | 947,227 | 509,027 |
| Accumulated depreciation | (467,511) | (445,171) |
| Total buildings | 479,716 | 63,856 |
| Capital works in progress | | |
| At cost | 54,502 | - |
| Total capital works in progress | 54,502 | - |
| Plant and equipment | | |
| At cost | 274,778 | 271,338 |
| Accumulated depreciation | (230,906) | (216,462) |
| Total plant and equipment | 43,872 | 54,876 |
| Furniture, fixtures and fittings | | |
| At cost | 56,171 | 56,171 |
| Accumulated depreciation | (50,547) | (47,298) |
| Total furniture, fixtures and fittings | 5,624 | 8,873 |
| Motor vehicles | | |
| At cost | 132,772 | 132,772 |
| Accumulated depreciation | (92,371) | (79,039) |
| Total motor vehicles | 40,401 | 53,733 |
| Computer equipment | | |
| At cost | 64,588 | 64,588 |
| Accumulated depreciation | (46,684) | (35,370) |
| Total computer equipment | 17,904 | 29,218 |
| Leasehold Improvements | | |
| At cost | 84,841 | 84,841 |
| Accumulated depreciation | (25,236) | (13,116) |
| Total leasehold improvements | 59,605 | 71,725 |
| Total property, plant and equipment | 701,624 | 282,281 |

Althea Projects Incorporated

ABN: 47 280 156 982

Notes to the Financial Statements For the Year Ended 30 June 2023

9 Trade and Other Payables

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Accrued expenses | 11,906 | 16,569 |
| FBT payable | 1,032 | - |
| GST payable | 93,074 | 86,255 |
| PAYG payable | 40,463 | 35,451 |
| Payroll accrual | 103,110 | 79,750 |
| Superannuation liability | 36,328 | 33,824 |
| Trade payables | 19,249 | 50,075 |
| | <u>305,162</u> | <u>301,923</u> |

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.

10 Contract Balances

Contract assets and liabilities

| | 2023 | 2022 |
|----------------------|---------------|----------|
| | \$ | \$ |
| CURRENT | | |
| Contract liabilities | 89,329 | - |
| | <u>89,329</u> | <u>-</u> |

11 Employee Benefits

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Provision for long service leave | 58,457 | 50,111 |
| Provision for annual leave | 209,511 | 228,103 |
| | <u>267,968</u> | <u>278,214</u> |
| NON-CURRENT | | |
| Provision for long service leave | 33,543 | 19,924 |
| | <u>33,543</u> | <u>19,924</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Leases

Right-of-use assets

| | Buildings | Motor Vehicles | Total |
|---|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Year ended 30 June 2023 | | | |
| Balance at beginning of year | 800,814 | 67,005 | 867,819 |
| Depreciation charge | (90,162) | (27,507) | (117,669) |
| Increase to right-of-use assets due to changes in lease liability | 42,040 | - | 42,040 |
| Balance at end of year | 752,692 | 39,498 | 792,190 |

| | Buildings | Motor Vehicles | Total |
|--------------------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| Year ended 30 June 2022 | | | |
| Balance at beginning of year | 612,666 | 21,509 | 634,175 |
| Depreciation charge | (88,681) | (24,168) | (112,849) |
| Additions | 276,829 | 69,664 | 346,493 |
| Balance at end of year | 800,814 | 67,005 | 867,819 |

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 |
|-------------------|----------|-------------|-----------|--------------------------------------|--|
| | \$ | \$ | \$ | \$ | \$ |
| 2023 | | | | | |
| Lease liabilities | 140,604 | 464,100 | 332,150 | 936,854 | 814,120 |
| 2022 | | | | | |
| Lease liabilities | 134,736 | 459,288 | 415,151 | 1,009,175 | 878,597 |

Notes to the Financial Statements

For the Year Ended 30 June 2023

13 Retrospective Restatement

(a) The provision for annual leave as at 30 June 2022 in the 2022 financial report was incorrectly recorded at \$185,106 instead of \$228,103. The 2022 numbers in this financial report have been restated to correct this error.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2023 is as follows:

| | Previously stated \$ | 30 June 2022 Adjustments \$ | Restated \$ |
|---|-------------------------------------|--|------------------------|
| Statement of Profit or Loss and Other Comprehensive Income | | | |
| Employee benefits expense | 3,065,666 | 42,997 | 3,108,663 |
| Statement of Financial Position | | | |
| Provision for annual leave | 185,106 | 42,997 | 228,103 |

14 Contingencies

In the opinion of those charged with governance, the Entity had the following contingencies:

On 2 November 2021, the Entity received a letter from a legal firm requiring it to confirm whether the Entity considers itself a proper respondent to a personal injury claim that occurred in January 1996. The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the position of the Entity. There has been no resolution to this matter at the date of this report. This was disclosed in the 2022 financial report also.

On 14 September 2023, the Entity received a letter from a legal firm requiring it to confirm whether the Entity considers itself a proper respondent to a personal injury claim that occurred between 2000 - 2005. The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the position of the Entity. There has been no resolution to this matter at the date of this report.

15 Events Occurring After the Reporting Date

The financial report was authorised for issue on the date that the responsible entities' declaration was signed.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial years.

Althea Projects Incorporated

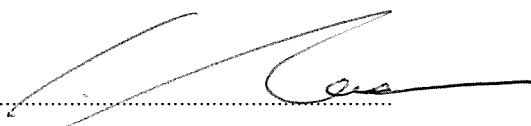
ABN: 47 280 156 982

Responsible Entities' Declaration

The responsible entities declare that in the responsible entities' opinion:

- there are reasonable grounds to believe that the entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

Responsible entity 

Dated 17 November 2023.



JESSUPS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
ALTHEA PROJECTS INCORPORATED
FOR THE YEAR ENDED 30 JUNE 2023

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Althea Projects Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2023, 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 responsible entities' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

TOWNSVILLE

1/211 Sturt Street Townsville QLD 4810
PO Box 1269 Townsville QLD 4810
T: +61 7 4755 3330

CAIRNS

8-9/320 Sheridan Street Cairns QLD 4870
PO Box 674 Cairns QLD 4870
T: +61 7 40377 050

www.jessupsnq.com.au
info@jessupsnq.com.au



JESSUPS

Responsibilities of the Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine 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, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of the registered entity, would be in the same terms if given to the responsible entities as at the time of this auditor's report.

Jessups

Paul Sapelli
Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 17 November 2023