

**FROM THE GROUND UP LTD
ACN 152504400**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020**

**FROM THE GROUND UP LTD
ACN 152504400**

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**FROM THE GROUND UP LTD
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DIRECTORS' REPORT

The directors present their report on the company for the financial year ended 30 June 2020.

Information on Directors

The names of each person who has been a director during the year and to the date of this report are:

Richard Feder
Julia Esther Jacob
Scott Woodward
Rachel Schaffer
Lauren Schotting
We-Ki Chua

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The profit of the company after providing for income tax amounted to \$14,746.

Significant Changes in the State of Affairs

There have been no significant changes in the situation of the Company during the year.

Principal Activities

The principal activities of the company during the financial year were supporting communities around the world to create their own play spaces for children.

No significant changes in the nature of the company's activity occurred during the financial year.

Events After the Reporting Date

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

Environmental Issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**FROM THE GROUND UP LTD
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DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2020 has been received and can be found on page 3.

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

Director: *Lauren Schotting*

Lauren Schotting

Dated this 14th day of September 2020

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
FROM THE GROUND UP LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Joseph Boyar
Chartered Accountant

Name of Partner: _____
Joseph Boyar



Address: 3/967 Glen Huntly Rd Caulfield South Vic 3162

Dated this ¹⁴ day of September 2020

FROM THE GROUND UP LTD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income			
Revenue	3	486,478	446,639
Changes in inventories of finished goods and work in progress		66,873	-
Raw materials and consumables used		(153,076)	-
Expenditure			
Accountancy expenses		(600)	-
Advertising expenses		(6,219)	-
Auditor's remuneration	4	-	(2,190)
Depreciation and amortisation expenses		(1,066)	-
Employee benefits expenses		(266,456)	(142,573)
Other expenses		(111,188)	(192,297)
		<u>14,746</u>	<u>109,579</u>
Profit for the year	5	<u>14,746</u>	<u>109,579</u>
Total comprehensive income for the year		<u>14,746</u>	<u>109,579</u>

The accompanying notes form part of these financial statements.

FROM THE GROUND UP LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	177,181	187,252
Trade and other receivables	7	37,293	36,802
Inventories	8	66,873	-
Other current assets	9	8,324	-
TOTAL CURRENT ASSETS		<u>289,671</u>	<u>224,054</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	539	-
Intangible assets	11	1,328	860
TOTAL NON-CURRENT ASSETS		<u>1,867</u>	<u>860</u>
TOTAL ASSETS		<u>291,538</u>	<u>224,914</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	62,473	10,595
TOTAL CURRENT LIABILITIES		<u>62,473</u>	<u>10,595</u>
NON-CURRENT LIABILITIES			
Borrowings	13	443	443
TOTAL NON-CURRENT LIABILITIES		<u>443</u>	<u>443</u>
TOTAL LIABILITIES		<u>62,916</u>	<u>11,038</u>
NET ASSETS		<u>228,622</u>	<u>213,876</u>
EQUITY			
Retained earnings	14	228,622	213,876
TOTAL EQUITY		<u>228,622</u>	<u>213,876</u>

The accompanying notes form part of these financial statements.

**FROM THE GROUND UP LTD
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Retained earnings \$	Total \$
Balance at 1 July 2018		104,297	104,297
Profit attributable to equity shareholders		<u>109,579</u>	<u>109,579</u>
Balance at 30 June 2019		213,876	213,876
Profit attributable to equity shareholders		<u>14,746</u>	<u>14,746</u>
Balance at 30 June 2020		<u>228,622</u>	<u>228,622</u>

The accompanying notes form part of these financial statements.

**FROM THE GROUND UP LTD
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	485,782	409,978
Payments to suppliers and employees	(495,051)	(342,043)
Interest received	205	494
Net cash provided by (used in) operating activities	<u>(9,064)</u>	<u>68,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(539)	-
Payments for intangibles	(468)	-
Net cash provided by (used in) investing activities	<u>(1,007)</u>	<u>-</u>
Net increase (decrease) in cash held	(10,071)	68,429
Cash at beginning of financial year	<u>187,252</u>	<u>118,823</u>
Cash at end of financial year	<u>177,181</u>	<u>187,252</u>

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FROM THE GROUND UP LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

The financial reports cover From the Ground Up Ltd as an individual entity. From the Ground Up Ltd is a for profit proprietary company incorporated and domiciled in Australia.

The functional and presentation currency of From the Ground Up Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements 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 significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

Inventories

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

Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The company's available-for-sale financial assets comprise listed securities.

All available for sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Impairment of Non-Financial Assets

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

Where this indicator exists and regardless for goodwill, 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

Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 15 to 20 years.

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.

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 cash flows. Changes in the measurement of the liability are recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

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 payables 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 or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

**FROM THE GROUND UP LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
3 Revenue and Other Income		
Revenue		
Sales revenue:		
Rendering of services	450,773	446,145
Other revenue:		
Interest received	205	494
Other revenue	35,500	-
	35,705	494
Total revenue	486,478	446,639
Interest revenue from:		
Interest Received	205	494
Total interest revenue on financial assets not at fair value through profit or loss	205	494
Other revenue from:		
Grants & Subsidies	35,500	-
Total other revenue	35,500	-
4 Auditor's Remuneration		
Auditor's Remuneration	-	2,190
5 Profit for the year		
The result for the year was derived after charging / (crediting) the following items:		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	86,203	-
Depreciation of property, plant and equipment	1,066	-

**FROM THE GROUND UP LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
6 Cash and Cash Equivalents		
Cash at Bank - High Interest Account	165,596	177,355
Cash at Bank - FTGU Main Account	11,436	9,748
Cash at Bank - Handicap International	149	149
	177,181	187,252
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	177,181	187,252
	177,181	187,252
7 Trade and Other Receivables		
Current		
Trade Debtors	27,446	2,820
Other Debtors	9,847	33,982
	37,293	36,802
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
8 Inventories		
9 Other Assets		
Current		
Prepayments	8,324	-
10 Property, Plant and Equipment		

**FROM THE GROUND UP LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	539	-
Total Plant and Equipment	<u>539</u>	<u>-</u>
 Movements in Carrying Amounts of Property, plant and equipment		
 11 Intangible Assets		
Website	468	-
Less Accumulated Amortisation	-	-
Net carrying amount	<u>468</u>	<u>-</u>
 Patents & Trademarks	 860	 860
Total	<u>1,328</u>	<u>860</u>
 Reconciliation of Patents		
Website	468	-
Less Accumulated Amortisation	-	-
Closing carrying value at 30 June 2020	<u>468</u>	<u>-</u>
 Patents & Trademarks	 860	 860
 12 Trade and Other Payables		
Current		
Trade Creditors	3,788	-
Other Creditors	33,615	5,327
GST Payable	6,070	5,268
Provision for Holiday Pay	19,000	-
	<u>62,473</u>	<u>10,595</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.

FROM THE GROUND UP LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
13 Borrowings		
Non-Current		
Loans - Unsecured	<u>443</u>	<u>443</u>
Total borrowings	<u>443</u>	<u>443</u>
14 Retained Earnings		
Retained earnings at the beginning of the financial year	213,876	104,297
Net profit attributable to members of the company	<u>14,746</u>	<u>109,579</u>
Retained earnings at the end of the financial year	<u>228,622</u>	<u>213,876</u>

15 Financial Risk Management

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

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not have any derivative instruments at 30 June 2020.

**FROM THE GROUND UP LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2020
\$

2019
\$

Objectives, Policies and Processes

The board of directors receives overall responsibility for the establishment of the company's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The day-to-day risk management is carried out by the company's finance function under policies and objectives which have been approved by the board of directors. The chief financial officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate movements.

The board of directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

16 Statutory Information

The registered office of the company is:

From the Ground Up Ltd

1/29 Nunan St Brunswick East Vic 3057

The principal place of business is:

1/29 Nunan St Brunswick East Vic 3057

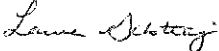
**FROM THE GROUND UP LTD
ACN 152504400**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 16, for the year ended 30 June 2020 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position and performance of the company.
2. In the directors' opinion, 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 made in accordance with a resolution of the Board of Directors.

Director: 

Lauren Schotting

Dated this 14th day of September 2020

To the Members of From the Ground Up Ltd.:

Report on the financial report

I have reviewed the accompanying financial report of From the Ground Up Ltd (the company) which comprises of the balance sheet as at 30 June 2020, the income statement, statement for the year then ended ,and notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The directors determines what the internal controls are necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express a conclusion on the financial report based on my review. I have conducted my review in accordance with auditing standard on review engagements ASRE 2410/ASRE2415 in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 2001.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting my review, I have complied with the independence requirements of the Australian professional ethical pronouncements.

Conclusion Based on my review, which is not an audit,

I have not become aware of any matter that makes me believe that the financial report of the company is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the entity's financial position as of 30 June 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards as referred to in Note 1 to the financial statements.

Basis of accounting and restriction on distribution

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist From The Ground Up Ltd. to meet the requirements of the Corporations Act 2001. As a result the report may not be suitable for another purpose.



Joseph Boyar- Chartered Accountant

3/967 Glen Huntly Road

Caulfield South Vic 3162

14th September 2020