

Elektos Ltd

ABN 68 634 629 039

Financial Report

For the period ended 30 June 2020

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Elektos Ltd

Directors' Report

The directors present their report, together with the financial statements, of Elektos ('the Company') for the year ended 30 June 2020

Elektos Ltd was formed on 3 July 2019 to conduct the Regional Assessment Service business of Ku-ring-gai Neighbourhood Centre Ltd (KNC). This contract for this service was transferred to Elektos on 1 January 2020 and the KNC employees who were working for this business were also transferred to Elektos.

Directors

The following persons were directors of the Company since its inception to the date of this report, unless otherwise stated:

Peter Lenehan

Frances Forrest

Paul Locke

Dinshaw Katrak

Isabel Lewis (resigned 8 September 2020)

Janice Kirkland (resigned 10 September 2020)

Noshir Irani

Michelle Bell

Anna Struthers

Principal activities

The principal activities of the Company during the financial year were to provide advocacy and assistance to those who are in need and to maximise their opportunities so that they can remain living independently at home. This is achieved through the Regional Assessment Service.

Operating results

The surplus of the Company for the financial year amounted to \$31,634.

Contributions on winding up

In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the Company are liable to contribute if the Company is wound up is \$90, based on 9 current ordinary members.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 2 of this financial report.

Signed in accordance with a resolution of the Directors



Dinshaw Katrak
Director



Michele Bell
Director

Dated: 29 October 2020



LBW & Partners

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Partners

Rupa Dharmasiri

Alan M Perrott

George P Rochios

Mark W Willock

Elektos Ltd

ABN 68 634 629 039

Auditor's Independence Declaration to the Directors of Elektos 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 Division 60 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 29th day of October 2020

Elektos Ltd

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$
Revenue	2	165,387
Office administration expense		(27,209)
Employee benefits expense	2	<u>(106,544)</u>
Surplus for the year		<u>31,634</u>
Total comprehensive income for the year		<u>31,634</u>

The accompanying notes form part of these financial statements



Elektos Ltd
Statement of Financial Position
As at 30 June 2020

	Note	2020 \$
Current Assets		
Cash and cash equivalents	3	50,244
Trade and other receivables	4	40,834
Other current assets	5	<u>2,706</u>
Total current assets		<u>93,784</u>
Total assets		<u>93,784</u>
Current liabilities		
Trade and other payables	6	11,966
Financial Liabilities	7	45,140
Employee benefits	8	<u>3,397</u>
Total current liabilities		<u>60,503</u>
Non-current liabilities		
Employee benefits	8	<u>1,647</u>
Total non-current liabilities		<u>1,647</u>
Total liabilities		<u>62,150</u>
Net assets		<u>31,634</u>
Equity		
Retained earnings		<u>31,634</u>
Total equity		<u>31,634</u>

The accompanying notes form part of these financial statements



Elektos Ltd
Statement of Changes in Equity
For the year ended 30 June 2020

	Retained earnings (\$)	Total (\$)
Balance at 30 June 2019	-	-
Surplus for the year	31,634	31,634
Balance at 30 June 2020	31,634	31,634

Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 \$
Cash Flows from Operating Activities		
Receipts from government and others		114,272
Payments to suppliers and employees		(109,175)
Interest received		7
Net cash from operating activities	11 (a)	5,104
Cash Flows from Financing Activities		
Loan from Ku-ring-gai Neighbourhood Centre Ltd		50,000
Repayments of Loan		(4,860)
Net cash used in investing activities		45,140
Net increase in cash held		50,244
Cash at the beginning of the financial year		-
Cash at end of the financial year	11 (b)	50,244

The accompanying notes form part of these financial statements

Elektos Ltd

Notes to the financial statements

For the year ended 30 June 2020

1 Statement of significant accounting policies

The financial statements cover Elektos Ltd as an individual entity. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency. Elektos Ltd is a not-for-profit company registered with Australian Charities and Not-for-profits Commission as a charity.

The financial statements were authorised for issue on 20 October 2020 by the directors of Elektos Ltd.

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 Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers

The Company has adopted AASB 15 from 1 July 2019 using the cumulative effect method which means the comparative information has not been restated and continue to be reported under AASB 111, AASB 118 and AASB 1004.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of this standard had no significant impact on the Company's 30 June 2020 financial statements

AASB 16 Leases

AASB 16 is applicable to the Company from 1 July 2019. The Company has elected to use the exception to lease accounting for short term leases and leases of low assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis. As a result there have been no impact to 30 June 2020 financial statements on adoption of AASB 16.



Elektos Ltd

Notes to the financial statements

For the year ended 30 June 2020

1 Statement of significant accounting policies (continued)

AASB 1058 Income of Not-for-Profit Entities

The Company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense

The adoption of this standard had no significant impact on the Company's 30 June 2020 financial statements

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations 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.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. **Revenue recognition**

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Income from donations, grants and bequests generally that do not have sufficiently specific performance obligations are recognised at the fair value of the asset when such asset is received. The Company considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and 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.

Elektos Ltd

Notes to the financial statements

For the year ended 30 June 2020

1 Statement of significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

b. **Impairment of assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

c. **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

d. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e. **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

f. **Income tax**

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

g. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors as well as amounts receivable from customers for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

h. **Accounts payable and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Elektos Ltd

Notes to the financial statements

For the year ended 30 June 2020

1 Statement of significant accounting policies (continued)

i. Comparative figures

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

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

j. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 1(c) - Employee benefit provisions

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.

2 Revenue and expenses

	2020
Revenue from contracts with customers	\$
Contract revenue	<u>102,740</u>
Other revenue	
Interest	7
Government Covid-19 Subsidies	<u>62,640</u>
	<u>62,647</u>
Revenue	<u>165,387</u>

Disaggregation of revenue

All revenue from contracts with customers are for services transferred over time

2 Revenue and expenses (continued)

Expenses

The surplus includes the following items of expense:

Employee benefits expense

Included in total employee benefits expense are contributions to defined contribution/accumulation type superannuation funds

3,428



Elektos Ltd**Notes to the financial statements****For the year ended 30 June 2020****3 Cash and cash equivalents**

Cash at bank	50,244
Cash on Hand	-
	<u>50,244</u>

4 Trade and other receivables

Trade Receivables	40,834
Less: Provision for impairment of receivables	-
	<u>40,834</u>

5 Other current assets

Prepayments	<u>2,706</u>
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6 Trade and other payables

Trade creditors & accruals	<u>11,966</u>
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7 Financial Liabilities

Loan from Ku-ring-gai Neighbourhood Centre Ltd	<u>45,140</u>
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8 Employee benefits**a. Composition**

Provision for annual leave	3,397
Provision for long service leave	1,647
	<u>5,044</u>

b. Disclosure in the balance sheet

Short-term provision	3,397
Long-term provision	1,647
	<u>5,044</u>



Elektos Ltd

Notes to the financial statements

For the year ended 30 June 2020

9 Key management personnel compensation

Any persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including its directors, are considered key management personnel.

No remuneration was paid to KMPs

10 Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Elektos Ltd was formed on 3 July 2019 to conduct the Regional Assessment service business of Ku-ring-gai Neighbourhood Centre Ltd (KNC). This contract for this service was transferred to Elektos on 1 January 2020 and the KNC employees who working for this business were also transferred to Elektos, in addition the following transactions occurred with Ku-ring-gai Neighbourhood Centre Ltd (KNC) during the year.

- a. Elektos borrowed \$50,000 from KNC with no fixed repayment term and at zero interest of which \$4,860 has been repaid
- b. Elektos paid a management fee of \$25,000 to KNC

11 Cash flow information

(a) Reconciliation of cashflow from operations with surplus

Surplus	31,634
Changes in assets and liabilities	
(Increase)/Decrease in trade and other receivables	(40,834)
(Increase)/Decrease in other current assets	(2,706)
Increase/(Decrease) in trade payables and accruals	11,966
Increase/(Decrease) in employee benefits	5,044
Cash flows from operations	<u>5,104</u>

(b) Cash comprises:

Cash at bank and on hand	50,244
Medium term bank deposits	-
Balance per statement of cash flows	<u>50,244</u>

18 Entity details

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

Elektos Ltd
4 Ramsay Rd
Pennant Hills NSW 2120

Elektos Ltd

Directors' Declaration

30 June 2020

The directors of the registered entity declare that, in the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-Profits Commission Act 2012; and
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2020 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.

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



Dinshaw Katrak
Director



Michele Bell
Director

Dated:



LBW & Partners

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Partners

Rupa Dharmasiri

Alan M Perrott

George P Rochios

Mark W Willock

Elektos Ltd

ABN: 68 634 629 039

Independent Auditor's Report to the members of Elektos Ltd

Opinion

We have audited the accompanying financial report of Elektos Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, 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 is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- complying with *Australian Accounting Standards – Reduced Disclosure Requirements*, 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* (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 – Reduced Disclosure Requirements* 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.

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.

The directors are responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Report

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

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

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
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Dated this 4th day of November 2020