United Synergies Ltd

ABN 58 114 781 065

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2019.

Directors

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

Kathleen Colclough – resigned January 2019
Greg Livingstone
Paula Holden
Glen Damro – appointed Secretary May 2019
Joyce Chorny
Dr Oscar Modesto Ramirez

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

Principal Activities

United Synergies provides health and social services supporting young people and their families.

The principle activities of the company during the financial year traverse across four health and social service sectors; Youth Homelessness, Child Safety, Mental Health and Suicide Prevention. The company describes these services by the sectors in which they operate.

Youth Homelessness:

The company employs dedicated Case Managers and support staff to work with young people and provide a range of homelessness services committed to supporting; young people whose living conditions make it intolerable to remain at home and young families who can't afford secure and appropriate housing.

These Services are funded by the Queensland Department of Housing and Public Works and Department of Social Services.

Child Safety:

The company supports young people and families who have been affected by a range of unique challenges that have the potential to impact on the safety of children and young people. Through the delivery of child safety services the company supports; children who cannot remain living safely with their parents and vulnerable families to help them to maintain the family unit (where the young person is safe).

These services are funded by the Queensland Department of Child Safety, Youth and Women.

Mental Health:

The company manages five headspace centres across Southern Queensland that focus on early intervention for young people through a range of services to ensure they receive support.

Funding for these headspace centres is obtained on a regional basis through the Public Health Networks and Medical Benefits Schedule Billing.

Suicide Prevention:

The company delivers StandBy Support After Suicide services across Australia to people bereaved by suicide. This StandBy service is Australia's leading provider of support after suicide, providing free face-to-face and telephone support to individuals, families, workplaces, groups and the wider community.

This service is funded by the Australian Government under the National Suicide Prevention Leadership and Support Program.

These services have the prime objective of delivering the organisations mission to, support young people in their time of need to live a healthy and meaningful life.

The provision of these services is underpinned by a strategic plan that maps a sustainable pathway to continue best practice, build capacity and extend the organisations reach within each of the four sectors. This strategy outlines objectives focused around five key result areas; engagement; service excellence; capacity and capability; financial sustainability; and quality and compliance.

Information on Directors

Kathleen Colclough	-	Director
Qualifications and Experience	-	Arts degree (Chinese language & politics), post-graduate qualifications in Banking and Finance and a Certificate IV in Training and Assessment.
	-	Kathleen has extensive experience in the finance, academic, small business and not-for-profit sectors. She has held senior positions with well-known Australian businesses and universities. Her expertise is in strategic and business planning, process mapping, operational inefficiencies, change management, customer relationship management and training. As a business owner on the Sunshine Coast, Kathleen also brings to the Board insights and challenges of the local business environment.
Greg Livingstone	-	Director – appointed as Chairperson 20/11/2017
Qualifications and Experience	-	Masters of Commerce
	-	Greg has worked in Australia and New Zealand and has extensive experience in general management, strategy, finance and HR in a large agribusiness and consumer products company. Since leaving his corporate role, Greg has worked with a range of organisations in the fields of sustainability, economic development and the support of vulnerable members of the community. He is currently also a non-executive director of The Pinnacle Foundation. Greg has a Master of Commerce degree from the University of New South Wales.
Paula Holden	-	Director
Qualifications and Experience	-	FCPHR, MBA, B.Man, MAICD, AFIML, JP (Qual)
	-	As an established board director and Senior Executive, Paula brings over 20 years' experience in various 'for profit' and 'for purpose' organisations. She has built her professional practice in Human Resource sand Safety, always seeking to build capability and synergise the people experience with the overall business strategy. Paula is deeply passionate about helping others see their potential in themselves. Having completed various postgraduate qualifications in human resources, business, strategy and leadership Paula also holds membership with a number of professional associations including fellowship of the Australian Human Resources Institute and a recent graduate of the Australian Institute of Directors.
Glen Damro	-	Director
Qualifications and Experience	-	EMBA, MAICD
	-	Glen has 25 years' experience as a senior manager across a range of industries both in Australia and internationally. At present he heads the Aviation Division of a large Queensland based company specialising in professional services and asset management. Glen's strengths are innovation, strategy design, business development, and operations accountability. Glen has two Masters' Degrees including an Executive Master of Business Administration (EMBA). He is also a qualified Lead Auditor and member of the Australian Institute of Company Directors.

Information on Directors continued

Joyce Chorny	**-**	Director
Qualifications and Experience	**-**	Joyce has a 20 year career in the visual arts and community engagement and brings extensive knowledge of grant writing and fundraising acumen to the Board. Prior roles include Principal Coordinator of the Hervey Bay Neighbourhood Centre, where she worked with disenfranchised and vulnerable people for over 18 years. This involved managing a variety of licensed and regulated programs including childcare, aged care, youth at risk and family support programs. She also worked with community planning and fundraising in designing and building a $7M community hub, which now provides a public meeting space and houses 20 services supporting community. Recently, Joyce joined Fraser Coast Regional Council as Executive Manager of Community and Culture, responsible for Libraries, Cultural Servers, Community Development and Indigenous Culture & Heritage. Joyce is an active Rotarian and past President of the Rotary Club of Hervey Bay Sunrise.
Dr Oscar Modesto Ramirez	**-**	Director
Qualifications and Experience	**-**	MFT, PhDPsych
	-	Oscar is a registered psychologist with a Masters degree in Family Therapy (Mexico) and PhD in Psychology from Macquarie University. Oscar has held senior roles overseeing services in post separation, family violence, counselling, parent education, and men's services at Centacare Parramatta and CatholicCare Sydney. Oscar has conducted research on attachment, identity and relationship issues, presenting his findings at several international conferences. Recently Oscar joined the Australian Catholic University (ACU) as a Lecturer on a permanent basis and coordinates the undergraduate psychology courses.

United Synergies Ltd

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DIRECTORS' REPORT

Meetings of Directors

During the financial year 11 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Kathleen Colclough	6	4
Greg Livingstone	11	9
Paula Holden	11	7
Glen Damro	11	10
Joyce Chorny	11	10
Dr Oscar Modesto Ramirez	11	10

Events During the Reporting Period

There were no major events during the reporting period that have had a material impact on the business.

Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each ordinary member is required to contribute a maximum of $200 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is $1 per associate and honorary life member and $200 per ordinary member.

Membership Classes

(a) Ordinary members
(b) Associate members
(c) Honorary life members

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the financial report.

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

G Livingstone

Greg Livingstone (Chair)

Dated this 28th day of October 2019

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DECLARATION OF INDEPENDENCE BY BRUCE SWAN TO THE DIRECTORS OF UNITED SYNERGIES LTD

As lead auditor of United Synergies Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of United Synergies Ltd.

BDO Audit Pty Ltd

Bruce Swan
Director

Maroochydore, this 31 day of October 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
Revenue – excluding capital grant	2(c)	22,532,597	22,060,158
Revenue – capital grant	2(d)	-	160,000
Total Revenue		22,532,597	22,220,158
Staff Costs		(12,123,697)	(11,495,795)
Contracted Expenses		(4,870,141)	(4,674,774)
Occupancy Expenses		(937,155)	(927,417)
Client Support Costs		(1,005,401)	(1,426,423)
Motor Vehicle Expenses		(488,468)	(515,929)
Consultancy Expenses		(219,724)	(204,715)
Administrative Expenses		(721,246)	(691,694)
Staff Travel and Training Expenses		(379,221)	(563,510)
Information Technology Expenses		(243,971)	(323,666)
Depreciation and Amortisation Expenses	2(a)	(477,868)	(1,082,825)
Repairs and Maintenance Expenses		(178,360)	(135,269)
Other Expenses		(471,100)	(742,567)
Current year surplus/(deficit) before income tax		416,245	(564,426)
Income tax expense	1(l)	-	-
Net current year surplus/(deficit)		416,245	(564,426)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		416,245	(564,426)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019	2018
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	6,374,128	6,669,712
Trade and other receivables	4	130,331	276,936
Other assets	5	259,151	226,821
TOTAL CURRENT ASSETS		6,763,610	7,173,469
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,342,544	1,523,942
TOTAL NON-CURRENT ASSETS		1,342,544	1,523,942
TOTAL ASSETS		8,106,154	8,697,411
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,924,734	2,301,124
Income in advance	8	1,635,780	2,382,732
Provisions	9	80,613	74,644
TOTAL CURRENT LIABILITIES		3,641,127	4,758,500
NON-CURRENT LIABILITIES			
Provisions	9	300,290	190,419
TOTAL NON-CURRENT LIABILITIES		300,290	190,419
TOTAL LIABILITIES		3,941,417	4,948,919
NET ASSETS		4,164,737	3,748,492
EQUITY			
Reserves		-	1,897,863
Accumulated Surplus		4,164,737	1,850,629
TOTAL EQUITY		4,164,737	3,748,492

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Accumulated Surplus $	Business Combination Reserve	Assets Reserve $	Total $
Balance at 1 July 2017		2,415,055	992,641	905,222	4,312,918
Comprehensive income					
Surplus for the year		(564,426)	-	-	(564,426)
Other comprehensive income		-	-	-	-
Total comprehensive income		(564,426)	-	-	(564,426)
Balance at 30 June 2018		1,850,629	992,641	905,222	3,748,492
Comprehensive income					
Surplus/(deficit) for the year		416,245	-	-	416,245
Other comprehensive income		-	-	-	-
Total comprehensive income		416,245	-	-	416,245
Transactions within member funds, recorded directly in equity					
Transfers to retained earnings		1,897,863	(992,641)	(905,222)	-
Total transactions within member funds		1,897,863	(992,641)	(905,222)	-
Balance at 30 June 2019		4,164,737	-	-	4,164,737

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding bodies and clients		23,862,092	25,290,333
Payments to suppliers and employees		(23,934,695)	(22,680,342)
Interest received		73,489	47,274
Interest and other finance costs paid		-	-
Net cash (used in) / generated from operating activities	10	886	2,657,265
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(296,470)	(203,890)
Payments for investments		-	-
Property, plant and equipment transferred		-	-
Net cash used in investing activities		(296,470)	(203,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase / (decrease) in cash held		(295,584)	2,453,375
Cash at the beginning of the financial year		6,669,712	4,216,337
Cash at the end of the financial year	3	6,374,128	6,669,712

The above statement should be read in conjunction with the accompanying notes.

CORPORATE INFORMATION

The financial statements are for United Synergies Ltd as an individual company, incorporated and domiciled in Australia. United Synergies Ltd is a company limited by guarantee under the *Corporations Act 2001* and registered under the *Australian Charities and Not-for-profits Commission Act 2012*. United Synergies Ltd is a not-for-profit entity for the purpose of preparing these financial statements. The financial statements are in Australian dollars and were authorised for issue on the date of signing the responsible entities' declaration.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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 amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Revenue**

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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

NOTE 1: SUMMARY 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. **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

c. **Contract assets**

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

d. **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.

e. **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

f. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

g. **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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

h. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Buildings	4%
Leasehold Improvements	Over the life of the lease
Plant and equipment	15 – 20%
Computers	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

i. **Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

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.

j. **Employee Benefits**

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

k. **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 Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. **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.

m. **Intangibles**

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

n. **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

o. **Comparative Figures**

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

When a company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

p. **Trade 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 which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

q. **Trade and Other Receivables**

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

r. **Economic Dependence**

United Synergies Ltd is dependent on the state and federal governments in Australia for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that both governments will not continue to support the company.

s. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Employee Benefits Provision

As discussed in note 1(j), the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

t. **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.
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 9 Financial Instruments
The company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2018. 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.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018.

u. **New Accounting Standards for Application in Future Periods**

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard include:

- new lessee accounting requirements for leases at significantly below-market terms and conditions (commonly known as 'peppercorn leases') principally to enable the
- lessee to further its objectives. This requires the lessee to recognise the leased asset / right-of-use asset at fair value per AASB 13, the lease liability per AASB 117/AASB 16 and the residual as income (after related amounts) at the inception of the lease per AASB 1058;
- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: SURPLUS BEFORE INCOME TAX

		2019	2018
		$	$
a.	**Expenses**		
	Depreciation and amortisation:		
	– Leasehold improvements	424,455	1,038,070
	– Furniture and equipment	12,480	12,617
	– Computer equipment	20,266	19,158
	– Patents & trademarks	-	344
	– Motor Vehicles	20,667	12,636
	Total depreciation and amortisation	477,868	1,082,825
	Significant Expenses		
	– Rental expenses on operating leases	937,155	927,417
b.	**Remuneration of auditor:**		
	– Audit services	36,505	35,895
c.	**Revenue**		
	Grant Revenue – operating	19,299,645	19,414,733
	Rental Income	113,461	100,941
	Medical Billing System Revenue	2,557,664	1,821,058
	Donations	82,054	66,016
	Interest Income	73,489	47,274
	Other Income	406,284	610,136
		22,532,597	22,060,158
	Grant Revenue – capital	-	160,000
	Total Revenue	22,532,597	22,220,158

NOTE 3: CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank	4,282,135	4,831,462
Cash on hand	9,293	4,550
Cash on deposit	1,999,000	1,750,000
Rental Bond Guarantee	83,700	83,700
	6,374,128	6,669,712

NOTE 4: TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
CURRENT		
Trade receivables	130,331	276,936
Less: allowance for expected credit losses	-	-
Total current trade and other receivables	130,331	276,936

Allowance for expected credit losses

The Company has recognised a loss of $nil (30 June 2018: $nil) in profit and loss in respect of impairment of receivables for the period ended 30 June 2019.

There were no movements in the allowance for expected credit losses.

Past due receivables

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		
Within initial trade terms	0%	99,774	93,045
0 to 3 months overdue	0%	22,420	155,327
3 to 6 months overdue	0%	8,137	28,564
		130,331	276,936

NOTE 5: OTHER ASSETS

	2019	2018
	$	$
CURRENT		
Other receivables and Prepayments	259,151	226,821

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	$	$
Buildings		
At cost	3,983,592	3,783,592
Less accumulated amortisation	(2,814,499)	(2,390,044)
Total Buildings	1,169,093	1,393,548
Furniture and equipment:		
At cost	271,375	263,562
Less accumulated depreciation	(248,826)	(236,346)
Total furniture and equipment	22,549	27,216
Computer equipment:		
At cost	461,055	383,330
Less accumulated depreciation	(364,113)	(343,846)
Computer equipment	96,942	39,484
Motor vehicles:		
At cost	134,215	123,282
Less accumulated depreciation	(80,255)	(59,588)
Motor vehicles	53,960	63,694
Total property, plant and equipment	1,342,544	1,523,942

Movements in Carrying Amounts

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

	Buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
2019					
Balance at the beginning of the year	1,393,548	27,216	39,484	63,694	1,523,942
Additions at cost	200,000	7,813	77,724	10,933	296,470
Disposals	-	-	-	-	-
Depreciation expense	(424,455)	(12,480)	(20,266)	(20,667)	(477,868)
Carrying amount at end of year	1,169,093	22,549	96,942	53,960	1,342,544

NOTE 7: TRADE AND OTHER PAYABLES

	2019	2018
CURRENT	$	$
Unsecured Trade Payables	318,747	273,320
Accrued Expenditure	829,253	1,180,153
GST Liability	222,624	254,351
Employee Benefits including annual leave	554,110	593,300
	1,924,734	2,301,124

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. Despite the current classification of the majority of employee benefits above, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is classified as current that is not expected to be taken within the next 12 months:

Current employee benefits obligation expected to be settled after 12 months	-	-

NOTE 8: INCOME IN ADVANCE

	2019	2018
	$	$
Income in advance	616,063	1,042,419
Unexpended Grants	1,019,717	1,340,313
	1,635,780	2,382,732

NOTE 9: PROVISIONS

	2019	2018
	$	$
CURRENT		
Long Service Leave Provision	80,613	74,644
NON-CURRENT		
Long Service Leave Provision	300,290	190,419
Number of employees at year end	180	178

NOTE 10: CASH FLOW INFORMATION

	2019	2018
	$	$
Reconciliation of cash flows from operations with surplus after income tax:		
Surplus/(deficit) after income tax	416,245	(564,426)
Non-cash flows in surplus:		
– depreciation and amortisation	477,868	1,082,825
Changes in assets and liabilities:		
– (increase)/decrease in receivables	146,605	1,691,722
– (increase)/decrease in prepayments and other receivables	(32,330)	46,445
– increase/(decrease) in trade and other payables	(376,390)	946,327
– increase/(decrease) in income in advance	(746,952)	(636,634)
– Increase/(decrease) in employee provisions	115,840	91,006
Cash flows (used in)/provided by operating activities	886	2,657,265

NOTE 11: CONTINGENT LIABILITIES

The company had no contingent liabilities as of 30 June 2019 aside from bank guarantees for property rental commitments provided in the ordinary course of business.

NOTE 12: CAPITAL AND LEASING COMMITMENTS

	2019	2018
	$	$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
— not later than 12 months	771,044	795,978
— later than 12 months but not later than 5 years	528,170	538,691
	1,299,214	1,334,669

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2019	2018
	$	$
Total compensation	1,084,024	877,557

NOTE 14: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 15: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	6,374,130	6,669,712
Trade and other receivables	130,331	276,936
Total Financial Assets	6,504,461	6,946,648
Financial Liabilities		
Financial liabilities at amortised cost		
– Trade payables	318,747	273,320
Total Financial Liabilities	318,747	273,320

Financial Risk Management Policies

The United Synergies Board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

(a) Market Risk

The entity is not exposed to any significant market risk with the exception of interest rate risk. The Board monitors interest rate movements to determine the most appropriate term deposits to invest in. A 0.5% movement in interest rates would not have a material effect.

NOTE 16: FINANCIAL RISK MANAGEMENT (CONT)

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

There are no material amounts of collateral held as security at 30 June 2019.

Credit risk is managed by the company and reviewed regularly by senior executives. It arises from exposure to customers as well as through deposits with financial institutions.

(c) Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained. Also an appropriate proportion of investments are maintained in term deposits.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

(d) Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and deferred income)	1,370,624	1,707,824	-	-	-	-	1,370,624	1,707,824
Total expected outflows	1,370,624	1,707,824	-	-	-	-	1,370,624	1,707,824

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2019 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.

NOTE 18: ENTITY DETAILS

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

United Synergies Ltd

12-14 Ernest Street

Tewantin

Qld 4565

United Synergies Ltd

ABN 58 114 781 065

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Queensland legislation the Collections Act 1966 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 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 made in accordance with subsection 60.15(2) the *Australian Charities and Not-for-profits Regulation 2013.*

G Livingstone

Greg Livingstone
Director

Dated this 28th day of October 2019

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of United Synergies Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of United Synergies Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit and 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 report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of United Synergies Ltd, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (*ACNC Act*) and 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 Board website (http://www.auasb.gov.au/Home.aspx) at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

BDO Audit Pty Ltd

Bruce Swan
Director

Maroochydore, this ...31... day of ...October... 2019.