



## **Senses Australia Limited T/A SensesWA**

ABN 93 169 195 127

ACN 162 912 156

## **Financial Report**

**For the year ended 30 June 2021**

## Contents

Directors' Report	3
Auditor's Independence Declaration	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	33
Independent Auditor's Report	34

## Directors Report

For the year ended 30 June 2021

The Directors present their report, together with the financial statements, for the year ended 30 June 2021.

### Objectives

SensesWA's short-term objective is to assist individuals of all ages with disability, who meet SensesWA's eligibility criteria, to meet their goals and aspirations through the provision of contemporary and responsive services.

The long-term objective is to contribute to the creation of a community that embraces and respects uniqueness and diversity and where a person with disability has equal opportunity to aspire and to achieve.

### Strategy for Achieving Objectives

SensesWA ensures that all its disability supports and services are provided to the highest standard and is committed to achieving positive outcomes for people with disability, their families and carers. SensesWA does this by ensuring compliance with the National Standards for Disability Services and the NDIS Quality and Safeguarding Framework and continuously improving its services through feedback and involvement from its clients, their families and carers.

### Principal activities

During the financial year the principal continuing activities of SensesWA were to provide therapy, community-based support services and specialist deafblind services to clients with disability.

### Performance measures

Senses Australia measures its performance in the delivery of its contractual obligations to the National Disability Standards and the outcomes that this achieves for our clients.

The performance against these key performance indicators is as follows:

Program	Benchmark	2020/2021	2019/2020
Early Childhood Intervention	100%	138%	95%
School Aged Therapy	100%	82%	96%
Adult Therapy	100%	56%	131%
Deafblind Services	100%	100%	100%

*Provision of disability professional services and specialist communication services against contract requirements*

Funding may be used flexibly between programs as required.

**Directors' Report**

For the year ended 30 June 2021

**Directors**

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name:	<b>Mr Colin Emmott</b>
Title:	President / Non-Executive Director
Qualifications:	FCA
Date joined Board:	April 2014 Elected President April 2017
Experience and expertise:	Colin was a Partner of a mid-tier accounting firm until 30 June 2018 having been in the profession for over 35 years. He now acts as a Board Director and advisor to family businesses. A former Registrar of the Pharmacy Registration Board of WA since its inception in 2010, Colin was also Registrar of both the Chiropractors and the Optometrist Registration Board for over 25 years prior to national registration. Colin is also the Independent Chair of ReddiFund Ltd and Mates in Construction (WA) Ltd. He also sits on the Board of the National Body, Mates in Construction (Aust) Ltd. Colin is also a Director of Nolan UDA Pty Ltd a private company supplying commercial and industrial textiles throughout Australia. A fellow of the Institute of Chartered Accountants in Australia and New Zealand, Colin holds a Bachelor of Business from the WA Institute of Technology (now Curtin University).

Name:	<b>Mr Danny Murphy AM</b>
Title:	Deputy President / Non-Executive Director
Qualifications:	CA, B.Ec, AGIA, FAIM
Date joined Board:	November 2015 Elected Deputy President November 2015
Experience and expertise:	Danny is Executive Chairperson of LWP Group Pty Ltd; LWP specialises in development of medium to large-scale residential projects including syndication, project management, marketing and selling of projects under its control. Danny has over 35 years' experience in the urban development industry in Australia including a period of 13 years in a range of senior positions with a national land development company. In 2000 he formed LWP to take over the property operations of Sanwa Property Group. Danny is a Chartered Accountant, has a Bachelor of Economics (Adelaide University) and is a Fellow of the Australian Institute of Management and Member of the Governance Institute. He is Chairperson of the Ellenbrook Cultural Foundation and Huntlee Academy (NSW).



**Directors' Report**

For the year ended 30 June 2021

Name:	<b>Mr Giovanni (John) Groppoli</b>
Title:	Non-Executive Director
Qualifications:	B.Juris, LLB, FAICD
Date joined Board:	November 2005
Experience and expertise:	John is the Principal of GlenForest Corporate, a boutique firm specialising in legal strategy, merger and acquisitions and corporate governance. John was a partner of national law firm Deacons (now known as Norton Rose Fulbright) from 1987 to 2004 (and Managing Partner of the Perth office from 1998 to 2002). John left private practice in 2005 and was until July 2018, the Managing Director of Milner's Brand Marketing and Aviva Mann Optical Group. John is a director of ASX listed entity Stealth Global Holdings Ltd, Chairman of Forest Grove Technology, GENiUX Ltd and Hunt Architects.

Name:	<b>Ms Beth Gordon</b>
Title:	Non-Executive Director
Qualifications:	BCom, MBA, MSc (Min Ec), GradCertProjMgt, CA, GAICD
Date joined Board:	February 2014
Experience and expertise:	Beth has worked in the international mining and professional services industries in site, project and corporate roles in China, Indonesia, UK, USA and Australia. She has considerable experience working with multiple stakeholders from diverse cultural and technical backgrounds on commercial, strategic and community issues. Now a consultant, Beth advises boards and executive management on strategy and risk management, commercial and continuous improvement initiatives. Beth is a member of the Institute of Chartered Accountants of Australia and New Zealand and serves on the finance committees of Curtin University and Catholic Education WA.

Name:	<b>Mr Christopher Yates</b>
Title:	Non-Executive Director
Qualifications:	BA; Grad Dip Ed; M ED Man; FLWA
Date joined Board:	June 2021
Experience and expertise:	Chris has worked for 25 years in the field of disability services. He has worked directly with people with disability; has managed disability services in a regional area and has held senior roles with responsibility for services across the whole of Western Australia. He was closely involved with the rollout of the NDIS in Western Australia firstly through his role on the Corporate Executive of the Disability Services Commission and then as Director of NDIS Transition. He has worked closely with a wide range of disability service providers to assist them to flourish as they provide valued services to their communities. He is committed to ensuring West Australians with a disability have access to supports and services which enable them to participate fully as citizens in our community.  Chris has a Bachelor of Arts and Graduate Diploma in Education and a Masters Degree in Educational Management. His masters' research focussed on transition from school for young people with a disability. He is a fellow of Leadership WA.

**Directors' Report**

For the year ended 30 June 2021

Name:	<b>Mr Bruce Campbell-Fraser</b>
Title:	Non-Executive Director
Qualifications:	BA
Date joined Board:	November 2011
Date resigned:	March 2021
Experience and expertise:	Bruce Campbell-Fraser is a Senior Advisor with Newgate Australia. Bruce has extensive public policy, media and advocacy experience having worked as a senior government advisor to Premiers and Ministers – both in Western Australia and for the Commonwealth. Most recently, Bruce served as Head of Media and Government Relations at the Water Corporation.

Name:	<b>Ms Judy Hogben</b>
Title:	Non-Executive Director
Qualifications:	BA (Hons), MBA, GAICD
Date joined Board:	August 2019
Date resigned:	June 2021
Experience and expertise:	For over 40 years Judy has had a strong connection to the community and human services sectors, having been a volunteer, senior executive and CEO in government and non-government. This experience includes being: the Executive Director, Office of Seniors Interests and Volunteering; Executive Director Statewide Services, Department of Child Protection; Chief Executive Officer and Company Secretary of The Centre for Cerebral Palsy (now called Ability Centre). Judy is also a Board Member of Council on the Ageing (COTA WA). Previously, Judy was a Director of COTA A and Chair of their Compliance, Audit and Risk Committee. Judy was the Western Australian winner of the 2014 Telstra Business Women of the year – in the category of Business Innovation and a national Telstra finalist. Currently, Judy is a member of the Architects Board of WA.

**Company Secretary**

Name:	<b>Mr Alan Neville</b>
Title:	Company Secretary / Chief Finance Officer
Qualifications:	CPA, BCom (UTAS)
Date appointed:	June 2021
Experience and expertise:	Alan has broad financial and management experience gained from 14 years in the hospitality sectors of both Tasmania and Western Australia followed by a 24 year career in the urban development industry of WA working as General Manager (Finance & Administration) & Company Secretary for one of WA's leading developers in LWP Group. Alan has assisted the following not for profit Perth based organisations in Superfins (a swimming club for the disabled), Riding for the Disabled, Property Education Foundation and Ellenbrook Cultural Foundation.



**Directors' Report**  
for the year ended 30 June 2021

**Meetings of Directors**

The number of meetings of the Company's Board of Directors (the Board) and of each Board committees held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

Director	Board		Finance Committee		Investment Committee	
	Attended	Held	Attended	Held	Attended	Held
Colin Emmott	7	7				
Danny Murphy	5	7	5	5	4	4
Giovanni (John) Groppoli	7	7			3	4
Beth Gordon	7	7	5	5		
Judy Hogben (i)	6	7				
Bruce Campbell-Fraser (ii)	4	5 (iv)				
Christopher Yates (iii)	1	1 (iv)				

- i. Resigned 22 June 2021
- ii. Resigned 30 March 2021
- iii. Appointed 22 June 2021
- iv. Potential meetings that could have been attended

**Contributions on winding up**

In the event of SensesWA 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 section 307C of the Corporations Act 2001 is set out on page 8.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



**Colin Emmott**

President

26 OCTOBER 2021

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Senses Australia Limited T/A SensesWA for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
26 October 2021



**N G Neill**  
Partner

**[hlb.com.au](http://hlb.com.au)**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: [mailbox@hlbwa.com.au](mailto:mailbox@hlbwa.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 30 June 2021

	Note	2021 \$ '000	2020 \$ '000
<b>Revenues</b>	3	<b>29,816</b>	<b>28,831</b>
<b>Expenses</b>			
Salaries and employee benefits		(22,270)	(21,030)
Administration	4(a)	(4,892)	(5,362)
Depreciation	4(b)	(599)	(508)
Finance costs		(43)	(29)
<b>Total expenditure</b>		<b>(27,804)</b>	<b>(26,929)</b>
<b>Operating Profit/(Loss) for the year before income tax</b>		<b>2,012</b>	<b>1,902</b>
Income tax expense		-	-
<b>Operating Profit/(Loss) for the year after income tax</b>		<b>2,012</b>	<b>1,902</b>
<b>Other comprehensive income, net of tax</b>			
<i>Items that cannot be reclassified subsequently to profit or loss:</i>			
Disposal of financial assets at fair value through other comprehensive income		-	(133)
Change in fair value of financial assets at fair value through other comprehensive income	11	850	(352)
Loss on revaluation of land and buildings		-	(296)
Transfer of land and buildings at fair value through other comprehensive income on disposal		(1,370)	-
<b>Total Other Comprehensive Income</b>		<b>(520)</b>	<b>(781)</b>
<b>Total Comprehensive Income</b>		<b>1,492</b>	<b>1,121</b>

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



**Statement of Financial Position**  
as at ended 30 June 2021

	Note	2021 \$ '000	2020 \$ '000
<b>Current Assets</b>			
Cash and cash equivalents	5	8,565	7,284
Trade and other receivables	6	1,442	924
Contract assets		786	530
Other current assets	8	311	190
		<u>11,104</u>	<u>8,928</u>
Non-current assets classified as held for sale	7	-	3,800
<b>Total Current Assets</b>		<u>11,104</u>	<u>12,728</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	1,795	1,380
Right-of-use assets	10	1,268	516
Financial assets at fair value through other comprehensive income	11	4,669	3,819
Other non-current receivables	12	1,300	-
		<u>9,032</u>	<u>5,715</u>
<b>Total Non-Current Assets</b>		<u>9,032</u>	<u>5,715</u>
<b>Total Assets</b>		<u>20,136</u>	<u>18,443</u>
<b>Current Liabilities</b>			
Trade and other payables	13	856	1,511
Contract liabilities	14	4,469	3,957
Borrowings	15	-	1,061
Lease liabilities	16	386	207
Short-term provisions	17	2,497	1,957
<b>Total Current Liabilities</b>		<u>8,208</u>	<u>8,693</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	16	959	343
Long-term provisions	18	405	335
<b>Total Non-Current Liabilities</b>		<u>1,364</u>	<u>678</u>
<b>Total Liabilities</b>		<u>9,572</u>	<u>9,371</u>
<b>Net Assets</b>		<u>10,564</u>	<u>9,072</u>
<b>Equity</b>			
Accumulated funds		9,365	7,353
Reserves		1,199	1,719
<b>Total Equity</b>		<u>10,564</u>	<u>9,072</u>

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

# Statement of Changes in Equity

For the year ended 30 June 2021

	Accumulated funds \$'000	Financial asset reserve \$'000	Asset revaluation reserve \$'000	Total \$'000
<b>Balance at 30 June 2019</b>	<b>5,190</b>	<b>854</b>	<b>1,646</b>	<b>7,690</b>
Adjustment for change in accounting policy (note 1)	261	-	-	261
Balance at 1 July 2019 - restated	5,451	854	1,646	7,951
Surplus for the year	1,902	-	-	1,902
Disposal of financial assets at fair value through other comprehensive income	-	(133)	-	(133)
Change in fair value of financial assets at fair value through other comprehensive income	-	(352)	-	(352)
Loss on the revaluation of land and buildings	-	-	(296)	(296)
<b>Balance at 30 June 2020</b>	<b>7,353</b>	<b>369</b>	<b>1,350</b>	<b>9,072</b>
Surplus for the year	2,012	-	-	2,012
Transfer of land and buildings at fair value through other comprehensive income on disposal	-	-	(1,370)	(1,370)
Change in fair value of financial assets at fair value through other comprehensive income	-	850	-	850
<b>Balance at 30 June 2021</b>	<b>9,365</b>	<b>1,219</b>	<b>(20)</b>	<b>10,564</b>

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

## Statement of Cash Flows

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	733	700
Government funding and grants received	27,395	26,630
Interest received	15	19
Payments to suppliers and employees	(27,454)	(26,219)
Interest and other finance costs	(43)	(29)
<b>Net Cash Flows from Operating Activities</b>	<b>646</b>	<b>1,101</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(662)	(353)
Proceeds from disposal of plant and equipment	-	7
Proceeds on disposal of land and buildings (i)	2,500	-
Proceeds from the sale of financial assets	-	677
Dividends received	169	197
<b>Net Cash Flows from Investing Activities</b>	<b>2,007</b>	<b>528</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds/(repayment) of borrowings	(1,061)	1,061
Repayment of lease activities	(311)	(230)
<b>Net Cash Flows from/(used in) Financing Activities</b>	<b>(1,372)</b>	<b>831</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>1,281</b>	<b>2,460</b>
Cash and cash equivalents at the beginning of financial year	7,284	4,824
Cash and cash equivalents at the end of financial year	5 <b>8,565</b>	<b>7,284</b>

(i) Remaining balance of sale proceeds is recorded as loan receivable. Refer to Note 12 for further details.

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

## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies

#### Basis of Accounting

The financial report covers Senses Australia Limited (the Company) as an individual entity. Senses Australia Limited is a not-for-profit company limited by guarantee.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements) and Interpretations issued by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit entities.

The financial statements were authorised for issue in accordance with a resolution of Directors on the 26 October 2021.

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### New, revised or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have a material impact on the financial performance and position of the company.

The following revised or amending Accounting Standards are most relevant to the Company:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Company has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

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

The Company will adopt AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs.



## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies (Continued)

#### Reporting Basis and Conventions

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for where applicable, the revaluation of financial assets at fair value through other comprehensive income and land and buildings.

##### *Critical accounting estimates*

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

#### Currency and Rounding

The financial report is presented in Australian dollars, which is Senses Australia's functional and presentation currency.

All values have been rounded to the nearest thousand dollars (\$'000) in accordance with Corporations Instruments 2016/191 unless specifically stated otherwise.

#### Revenue

The company recognises revenue as follows:

##### *Revenue from contracts with clients*

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 client. For each contract with a client, the company identifies the contract with a client; 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 client of the goods or services promised.

##### *Sales revenue*

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

##### *Donations*

Donations are recognised at the time the pledge is made.



## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies (Continued)

#### **Grants**

Grant revenue is recognised in profit or loss when the Company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

#### **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.

#### **Income Tax**

Senses Australia Limited is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax.

#### **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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

#### **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.

## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies (Continued)

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.

#### **Cash and Cash Equivalents**

Cash and cash equivalents includes cash at bank, on hand and deposits at call which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### **Trade and Other Receivables**

Trade and other receivables are recognised at amortised cost less any allowance for expected credit losses.

#### **Contract assets**

Contract assets are recognised when the Company has transferred goods and 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.

#### **Property, Plant, Equipment and Motor Vehicles**

Each class of property, plant, equipment and motor vehicles is carried at historical cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

##### *Property*

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Increases/(decreases) in the carrying amount arising on revaluation of land and buildings are credited/(debited) to a revaluation reserve in equity.

##### *Plant, Equipment and Motor Vehicles*

Plant, equipment and motor vehicles are measured on the cost basis less depreciation and impairment losses.

Any property, 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 the Company obtains control of the asset.



**Notes to the Financial Statements**

For the year ended 30 June 2021

**1. Statement of significant accounting policies (Continued)***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 their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

<b>Class of Assets</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Plant and Equipment	20%
Furniture and Fittings	20%
Motor Vehicles	20%
Computer Equipment	40%
Leasehold Improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's 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 and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to accumulated funds.

**Right-of-use assets**

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

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

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

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through

## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies (Continued)

profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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

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



## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies (Continued)

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

#### Trade and Other Payables

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

#### Contract liabilities

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

#### Borrowings

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

#### Lease liabilities

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

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



## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Statement of significant accounting policies (Continued)

#### Finance costs

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

#### Employee benefits

##### *Short-term employee benefits*

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

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

#### 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.

### 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

## Notes to the Financial Statements

For the year ended 30 June 2021

### 2. Critical accounting judgements, estimates and assumptions (Continued)

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *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, supply chain, 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.

#### *Estimation of useful lives of assets*

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the

Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### *Employee benefits provision*

As discussed in note 1 above, the liability for employee benefits expected to be settled more than 12 months from the reporting date are 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.



## Notes to the Financial Statements

For the year ended 30 June 2021

### 2. Critical accounting judgements, estimates and assumptions (Continued)

#### *Fair value measurement hierarchy*

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

#### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### *Incremental borrowing rate*

Where the interest rate implicit in the lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the necessary funds to obtain an asset of similar value to the right-of-use asset, with similar terms, security and economic environment.

#### **Comparative Figures**

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

**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021	2020
	\$ '000	\$ '000
<b>3. Revenue</b>		
<b>Revenues from Core Operating Activities</b>		
Government funding and grants	27,177	27,489
Non-Government grants	503	120
Fundraising and donations	125	73
Private fee-for-service	70	188
	<u>27,875</u>	<u>27,870</u>
<b>Other Revenue</b>		
Rent	101	227
Interest	15	19
Dividends	169	197
Net gain on disposal of property, plant and equipment	1,370	-
Net gain on disposal of investments	-	134
Other revenue	286	384
	<u>1,941</u>	<u>961</u>
<b>Total Revenue</b>	<u><b>29,816</b></u>	<u><b>28,831</b></u>
<b>4. Expenses</b>		
<b>a) Administration expenses</b>		
Administration	1,194	1,863
Property	519	471
Client direct costs	1,240	1,663
Vehicles	289	343
Insurance	463	540
Professional fees	552	402
Professional Fees relating to ERP project	495	-
Advertising	140	80
	<u><b>4,892</b></u>	<u><b>5,362</b></u>
<b>b) Depreciation expenses</b>		
Buildings and leasehold Improvements	72	98
Furniture and fittings	50	46
Computer equipment	102	102
Plant and equipment	23	25
Right-of-use assets	352	237
	<u><b>599</b></u>	<u><b>508</b></u>

**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021 \$ '000	2020 \$ '000
<b>5. Cash and Cash Equivalents</b>		
Cash on hand	1	-
Cash at bank	8,564	2,929
Cash on deposit	-	4,355
	<b>8,565</b>	<b>7,284</b>

Of the cash at bank, \$2,251,438 (2020: cash on deposit \$2,243,817) is a bequest to the Company including interest earned. The bequest is subject to certain criteria which have not fully been satisfied at the reporting date. These funds will only be available to be utilised once all the criteria have been satisfied.

**6. Trade and Other Receivables**

Trade receivables (net of expected credit loss)	535	432
Other receivables	907	492
	<b>1,442</b>	<b>924</b>

**7. Non-current asset classified as held for sale**

Non-current asset classified as held for sale	-	3,800
---	---	-------

The property located at 11 Kitchener Avenue, Burswood, WA was sold in February 2021.

**8. Other Current Assets**

Prepayments	177	186
Other current assets	134	4
	<b>311</b>	<b>190</b>



**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021 \$ '000	2020 \$ '000
<b>9. Property, Plant and Equipment</b>		
<b>Property</b>		
Freehold land at independent valuation	680	680
Leasehold improvements at cost	484	263
	<u>1,164</u>	<u>943</u>
Accumulated depreciation	(145)	(73)
	<u><b>1,019</b></u>	<u><b>870</b></u>
Capital projects work-in-progress	442	221
	<u>442</u>	<u>221</u>
<b>Property including capital projects work-in-progress</b>	<u><b>1,461</b></u>	<u><b>1,091</b></u>
<b>Plant, Equipment and Motor Vehicles</b>		
Cost	1,429	1,208
Accumulated depreciation	(1,095)	(919)
	<u>334</u>	<u>289</u>
<b>Total Property, Plant, Equipment and Motor Vehicles</b>	<u><b>1,795</b></u>	<u><b>1,380</b></u>
<b><i>Reconciliations of the written down values at the beginning and end of the current financial year are set out below:</i></b>		
<i>Property including capital projects work-in-progress</i>		
Carrying amount at beginning of year	1,091	5,062
Additions	442	232
Disposals/Write-off	-	(9)
Revaluations	-	(296)
Transferred to assets held for sale	-	(3,800)
Depreciation expense	(72)	(98)
	<u><b>1,461</b></u>	<u><b>1,091</b></u>
<i>Plant, equipment and motor vehicles</i>		
Carrying amount at beginning of year	289	340
Additions	221	121
Depreciation expense	(176)	(172)
	<u>334</u>	<u>289</u>
<b>Total Net Carrying Amount at End of Year</b>	<u><b>1,795</b></u>	<u><b>1,380</b></u>

**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021 \$ '000	2020 \$ '000
<b>10. Right-of-use Assets</b>		
<b>Property</b>		
Land and buildings – right-of-use	1,719	956
Accumulated depreciation	(466)	(470)
	<b>1,253</b>	<b>486</b>
<b>Equipment</b>		
Equipment – right-of-use	74	64
Accumulated depreciation	(59)	(34)
	<b>15</b>	<b>30</b>
<b>Total Right-of-use assets</b>		
Cost	1,793	1,020
Accumulated depreciation	(525)	(504)
Total Written Down Amount	<b>1,268</b>	<b>516</b>
<i>Reconciliations of the written down values at the beginning and end of the current financial year are set out below:</i>		
<i>Property</i>		
Carrying amount at beginning of year	486	-
Additions	1,167	708
Disposals/Write-off	(73)	-
Depreciation expense	(327)	(222)
	<b>1,253</b>	<b>486</b>
<i>Equipment</i>		
Carrying amount at beginning of year	30	-
Additions	10	45
Depreciation expense	(25)	(15)
	<b>15</b>	<b>30</b>
<b>Total Net Carrying Amount at End of Year</b>	<b>1,268</b>	<b>516</b>

The Company leases land and buildings for its offices and group homes between two to seven years, including options to extend in some cases. On renewal, the terms of the leases are renegotiated. The Company also leases office equipment under agreement for 4 years.

The company leases motor vehicles under agreements less than 12 months. These leases are short term, so have been expensed as incurred and not capitalised as right-of-use assets.

**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>11. Financial Assets</b>		
Non-current		
Financial assets at fair value through other comprehensive income	4,669	3,819

*Reconciliation of the fair values at the beginning and end of the current and comparative financial year are set out below:*

2021	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Revaluation increment \$'000	Closing revalued balance \$'000
Burns Beach Property Trust	44	-	-	-	44
Bayswater Bendigo Bank	1	-	-	-	1
Managed Portfolio	3,774	-	-	850	4,624
	<b>3,819</b>	<b>-</b>	<b>-</b>	<b>850</b>	<b>4,669</b>

2020	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Revaluation increment \$'000	Closing revalued balance \$'000
Burns Beach Property Trust	46	-	-	(2)	44
Bayswater Bendigo Bank	1	-	-	-	1
Managed Portfolio	4,802	-	(678)	(350)	3,774
	<b>4,849</b>	<b>-</b>	<b>(678)</b>	<b>(352)</b>	<b>3,819</b>

**12. Other non-current receivables**

Secure loan – deferred settlement	1,300	-
-----------------------------------	-------	---

As part of the settlement of the Burswood property sale, a secured loan was created which is secured by a first ranking general security interest over Unit 1 and Unit 41, 26 Fisher Street, Belmont, Western Australia 6104 and 4 Warnbro Beach Road, Safety Bay, Western Australia 6169. The loan is interest free and repayable by February 2023.

**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>13. Trade and Other Payables</b>		
<b>Current</b>		
Trade payables	54	538
Other payables	802	920
Goods and services tax	-	53
	<b>856</b>	<b>1,511</b>
<b>14. Contract Liabilities</b>		
Contract liabilities	4,469	3,957
Included in contract liabilities is a \$2,251,438 (2020: \$2,243,817) bequest including interest. Refer Note 5 for details.		
<b>15. Borrowings</b>		
Borrowings	-	1,061
Interest free, repayable in six monthly instalments commencing 1 October 2020		
<b>16. Lease Liabilities</b>		
Current lease liabilities	386	207
Non-current lease liabilities	959	343
Total lease liabilities	1,345	550
<b>17. Short Term Provisions</b>		
Provision for annual leave	1,852	1,403
Provision for long service leave	645	554
	<b>2,497</b>	<b>1,957</b>
<b>18. Long Term Provisions</b>		
Provision for long service leave	205	135
Provision for government funds	200	200
	<b>405</b>	<b>335</b>

Under the terms of an agreement between the Department of Communities (DoC) and Senses Australia, originating from funding for the Maycrest Courts Accommodation Services, DoC holds an equity of \$166,800 (2020: \$166,800) and the Department of Communities holds an equity of \$32,769 (2020: \$32,769) in the Accommodation Service.



**Notes to the Financial Statements**

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>19. Franking credits</b>		
Franking credits receivable	22	70
	<hr/>	<hr/>
<p>The above amount represents the franking credits that will arise from the receipt of dividends recognised as received during the year. This balance is included within the other receivables balance in Note 6.</p>		
<b>20. Remuneration of auditors</b>		
<p>During the financial year, the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the company and unrelated firms:</p>		
<i>Audit services – HLB Mann Judd</i>		
Audit or review of the financial statements	29	-
	<hr/>	<hr/>
<i>Other services – HLB Mann Judd</i>		
GST opinion	1	-
	<hr/>	<hr/>
	<b>30</b>	<b>-</b>
	<hr/>	<hr/>
<i>Audit services – PKF</i>		
Audit or review of the financial statements	9	39
	<hr/>	<hr/>

**21. Contingent Liabilities**

The Company has no contingent liabilities as at 30 June 2021 (2020: Nil).

**22. Subsequent Events**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by both the Western Australian State Government and the Australian Federal Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstances has arisen since 30 June 2021 that has significantly affected, or may significantly affect, the Company's operations, the result of those operations, or the Company's state of affairs in future years.

**Notes to the Financial Statements**

For the year ended 30 June 2021

**23. Commitments*****Capital Commitments***

The Company commenced the design phase of a new building project (Armadale) during the year, however there were no major commitments for expenditure at year end (2020: Nil).

***Operating Lease Commitments Receivable***

The Company has entered into certain leasing arrangements as the lessor in relation to a portion of their office premises. Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	1	199
After one year but not more than five years	-	535
	<u><b>1</b></u>	<u><b>734</b></u>

***Operating Lease Commitments Payable***

The Company has entered into certain leasing arrangements as the lessee. Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	59	40
After one year but not more than five years	-	-
	<u><b>59</b></u>	<u><b>40</b></u>

**Notes to the Financial Statements**

For the year ended 30 June 2021

**24. Fair value measurement**

<b>2021</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Financial assets at fair value through other comprehensive income	4,669	-	-	4,669
Land and buildings	-	680	-	680
<b>Total assets</b>	<b>4,669</b>	<b>680</b>	<b>-</b>	<b>5,349</b>

  

<b>2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Financial assets at fair value through other comprehensive income	3,819	-	-	3,819
Non-current assets classified as held for sale	-	3,800	-	3,800
Land and buildings	-	680	-	680
<b>Total assets</b>	<b>3,819</b>	<b>4,480</b>	<b>-</b>	<b>8,299</b>

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables and borrowings are assumed to approximate the fair values due to their short-term nature.

**25. Related parties and related party transactions**

The following members acted as Directors of Senses Australia during the year:

Mr Colin Emmott – President  
 Mr John Groppoli  
 Ms Judy Hogben (resigned 22 June 2021)  
 Mr Bruce Campbell-Fraser (resigned 30 March 2021)  
 Mr Christopher Yates (appointed 22 June 2021)  
 Ms Beth Gordon  
 Mr Danny Murphy - Deputy President

*Directors' compensation and Transactions with Director-related entities*

Members of the Board do not receive any remuneration or other benefits as the positions are honorary in nature.

There were no transactions with director-related entities during the year.



**Notes to the Financial Statements**

For the year ended 30 June 2021

**25. Related parties and related party transactions (continued)***Key management personnel compensation*

The aggregate compensation made to members of key management personnel of the Company during the year is set out below:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Aggregate compensation	1,033	869

**26. Non-cash investing activities**

Additions to right-of-use assets	1,177	753
----------------------------------	-------	-----

## Directors' Declaration

For the year ended 30 June 2021

In the Directors' opinion:

- a) The attached financial statements and notes thereto comply with the Australian Charities and Not- for Profits Commission Act 2012, the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) The attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- c) 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 a resolution of Directors made pursuant to Section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



---

**Colin Emmott**  
President

26 OCTOBER 2021  
Perth





**INDEPENDENT AUDITOR'S REPORT**

To the members of Senses Australia Limited T/A SensesWA

**Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of Senses Australia Limited T/A SensesWA ("the Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Company in accordance with the auditor independence 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.

*Information other than the financial report and auditor's report thereon*

Those charged with governance are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

*Responsibilities of management and those charged with governance for the financial report*

Management is 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 management determines 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, management is 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 management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**26 October 2021**



**N G Neill**  
**Partner**



