



Nulsen Group
2021 Annual Report
Directors' Report & Financial Statements



NULSEN GROUP LTD

ABN 43 130 353 890

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2021

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NULSEN GROUP LTD

Directors' Report for the year ended 30 June 2021

The Directors present their report, together with the financial statements, of Nulsen Group Ltd ('Nulsen' or 'the company') 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:

Ms Evelyn Hogg, Chairperson
Ms Eileen Newby, Deputy Chairperson
Mr Kent Burwash (Resigned on 29 October 2020)
Ms Penny Knight (Resigned on 19 July 2021)
Mr Simon teBrinke
Ms Julianne Allan
Dr Edward Petch
Ms Silvana Green
Ms Felicity Zempilas (Appointed on 29 October 2020)
Ms Bernadette Celliers (Appointed on 29 October 2020)
Mr Robert Lawrence (Appointed on 29 October 2020)

Objectives

The company continues to operate as a charitable, not for profit organisation.

The company's purpose is "To empower people to live their best life".

The values that support the purpose are that we are:

- Respectful
- Compassionate
- Courageous
- Resilient
- Collaborative

Strategy for achieving the objectives

Our long-term strategies include:

- Delivering services in the "Nulsen Way"
- Maintaining financial sustainability
- Maintaining robust risk management and governance practices
- Exploring business development opportunities

The focus for the short term is:

- Enhancing the Nulsen Way culture and improving workforce capacity and capability
- Growing the business in a financially sustainable way across all service streams
- Improve infrastructure and efficiency
- Quality, safeguarding and risk mitigation

Principal activities

The company's principal activities during the year were the provision of:

- long-term residential support for people with disabilities;
- support to enable people with disabilities to participate in recreational and community activities;
- allied health services, clinical and medical support;
- consulting services to people with disability and their families; and
- support related to justice, child protection, mental health, social housing and accommodation and reintegration.

During the financial year the company commenced delivering consulting services to people with disabilities and their families via two brands; Melior for Positive Behaviour Support and Pillar for Support Coordination.

During the prior financial year the company completed a merger with Outcare Ltd (Outcare) whereby the justice, child protection, mental health, social housing support and accommodation and reintegration programs, assets and liabilities of Outcare were transferred to the company with a recognised effective date of 1 July 2019.

Performance measures

The company measures its performance in quantity and quality of accommodation services provided to disability residents; therapy and allied health services; and justice, child protection, mental health, social housing support and accommodation and reintegration services.

Operating result and review of operations

The operating result for the year was a surplus of \$47,513 (2020: \$7,038,560).

The company operates as a not-for-profit organisation with deductible gift recipient status and the company is exempt from income tax.

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report.

During the year the company commenced the process of undergoing a business restructuring process because of guidance provided by NDIS on provision of services by the same entity. This restructure is not expected to be fully complete until the end of the 2021-22 financial year. This restructure will result in the transfer of some operations to the new legal entity in accordance with NDIS guidelines.

Information on Directors

Name	Evelyn Hogg
Title	Non-Executive Chairperson
Qualifications	Fellow of Chartered Accountants Australia and New Zealand
Experience and expertise	Evelyn is currently the CFO of a listed company. She has extensive experience as a technical audit consultant, a University lecturer in accounting and auditing, and as a non-executive director.
Special responsibilities	Chairperson Member of Finance Committee, Member Risk and Compliance Committee

Name	Penny Knight (resigned on 19 July 2021)
Title	Non-Executive Director
Qualifications	BCom, MBA, GAICD
Experience and expertise	Penny is a strategist and analyst and has extensive experience of research, data analysis, performance management and reporting across a range of sectors and a Senior Research Fellow.
Special responsibilities	Member of Finance Committee Member Clinical Governance Committee

Name	Simon te Brinke
Title	Non-Executive Director, Deputy Chairperson
Qualifications	GAICD
Experience and expertise	Simon has nearly 30 years marketing communications and media experience and specialises in digital media. He is the founder and digital director of an independent strategy consulting firm working with organisations challenged by disruptive technology trends in marketing and communications. Simon is currently a non-executive director of the Chamber of Commerce and Industry WA and is member of their Audit, Risk Finance Oversight sub-committee. His previous directorships include RTRFM 92.1 and WAYJO (West Australian Youth Jazz Orchestra).
Special responsibilities	Co-Chairperson Risk and Compliance Committee Member Clinical Governance Committee Member Nominations and Governance Committee

Name	Julianne Allan
Title	Non-Executive Director
Qualifications	MPsych, BA (Hons)
Experience and expertise	Julianne is the Director of Workforce and Support Services / State HR Manager for a listed Australian health care provider and has operational responsibilities at a hospital level, and responsibility for strategic HR across WA and SA hospitals within the group.
Special responsibilities	Chair Nominations and Board Governance Committee Member Clinical Governance Committee

Name Eileen Newby
 Title Non-Executive, Deputy Chairperson
 Qualifications CA, CPA, MAICD
 Experience and expertise Eileen works for a firm of commercial lawyers as an accountant and company secretary and has responsibility for the management of family investment companies. Eileen is the director of another not for profit organisation that provide youth legal support and sits on sub-committees for CPA and a local shire.

Special responsibilities Chairperson of Finance Committee
 Member Investment Committee

Name Edward Petch
 Title Non-Executive Director
 Qualifications MBBS, BSc, MSc, FRCPsych, DFP Dip Crim, FRANZCP, MBA, GAICD
 Experience and expertise Edward is a Consultant Forensic Psychiatrist at Hakea Prison, Department of Justice and Clinical Associate professor UWA.

Special responsibilities Chair Clinical Governance Committee

Name Silvana Green
 Title Non-Executive Director
 Qualifications n/a
 Experience and expertise Silvana has 33 years' experience as professional social worker at both Zone and National levels within departments of the Commonwealth Government.

Special responsibilities Member Nominations and Governance Committee
 Member of the Clinical Governance Committee

Name Felicity Zempilas (appointed 20 October 2020)
 Title Non-Executive Director
 Qualifications LLB, CF
 Experience and expertise Felicity was appointed as a Magistrate in August 2009 and from 2017 to 2021 was the dedicated Magistrate in the Start (Mental Health) Court and Intellectual Disability Diversion program Court.

Special responsibilities Member Clinical Governance Committee

Name Bernadette Celliers (appointed 20 October 2020)
 Title Non-Executive Director
 Qualifications BA (Hons), (Psych) MA, (Psych) Dip Ed MAPS AHPRA Registered Psychologist
 Experience and expertise Bernadette is an AHPRA registered psychologist and Member of the Australian Psychological Society with over 32 years' experience in the field and has worked for State Education Departments (Victoria and WA) and also for numerous private education providers. She is also a member of the APS Psychology of Intellectual Disability and Autism Interest Group.

Special responsibilities None

Name Robert Lawrence (appointed 20 October 2020)
 Title Non-Executive Director
 Qualifications n/a
 Experience and expertise Robert was appointed a permanent Magistrate for WA in 1982, retiring in 2013 after which he was appointed a temporary Magistrate until 2020. Robert is a Life Member of the Association of Australian Magistrate and is currently a Board Member of the Prisoners Review Board for WA.

Special responsibilities Member of the Clinical Governance Committee

Company secretary

Gordon Trewern has held the role of Company Secretary since the company was converted to a company limited by guarantee in July 2019. Gordon sits on state and national committees in the government and the non-government arenas including on the National Disability Services Board and involvement in State Government NGO procurement reforms.

Meeting of Directors

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

	Board		Finance Committee		Investment Committee		Risk and Compliance Committee		Clinical Governance Committee		Nominations and Board Governance Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Evelyn Hogg	11	11	9	10	1	1	6	6	1	1	-	-
Penny Knight	11	11	8	10	-	-	-	-	-	4	-	-
Simon te Brinke	10	11	-	-	-	-	5	6	1	1	8	8
Julianne Allan	10	11	-	-	-	-	-	-	-	4	8	8
Eileen Newby	11	11	10	10	1	1	-	-	-	-	-	-
Edward Petch	10	11	-	-	-	-	-	-	4	4	-	-
Silvana Green	10	11	-	-	-	-	-	-	3	4	8	8
Felicity Zemplias	6	7	-	-	-	-	-	-	1	1	-	-
Bernadette Celliers	6	7	-	-	-	-	-	-	-	-	-	-
Robert Lawrence	7	7	-	-	-	-	-	-	1	1	-	-
Kent Burwash	3	4	-	-	1	1	-	-	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

The Investment Committee combined with the Finance Committee during the year. Only 1 meeting was during the year prior to the combination.

Contribution on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each. The total amount that members of the company are liable to contribute if the company is wound up is \$51, based on 51 current 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 immediately after this Directors' report.

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



Ms Evelyn Hogg
Chair
28 September 2021



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Nulsen Group Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

A Whyte

ALASDAIR WHYTE
Partner

Perth, WA
Date: 28 September 2021

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue and income			
Revenue from grants and contracts with customers	2(a)	69,061,494	64,306,156
Donations, fundraising and bequests income	2(b)	188,494	268,657
Gain on merger	2(c)	-	7,649,852
Other income	2(d)	526,433	734,458
Fair value gain/ (loss) on financial assets at fair value through profit or loss	2(e)	222,830	(71,164)
Revenue and other income		69,999,251	72,887,959
Expenses			
Employee benefit expenses	2(f)	60,642,378	56,759,099
Administration costs		3,694,339	2,639,634
House expenses		2,154,304	1,789,628
Repairs and maintenance		1,055,752	1,489,678
Other operating costs		1,269,979	1,960,601
Depreciation		1,134,986	1,210,759
Total Expenditure		69,951,738	65,849,399
Surplus before income tax expense		47,513	7,038,560
Income tax expense	1(s)	-	-
Surplus after income tax expense for the year attributable to the members of the company		47,513	7,038,560
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of the company		47,513	7,038,560

The accompanying notes form part of these financial statements.

NULSEN GROUP LTD
STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	3	24,902,768	29,699,627
Trade and other receivables	4	596,114	785,539
Contract assets	5	2,639,665	1,810,976
Total Current Assets		28,138,547	32,296,142
Non-Current Assets			
Property, plant and equipment	6	10,491,466	10,422,683
Financial assets at fair value through profit or loss	7	4,143,118	3,882,183
Total Non-Current Assets		14,634,584	14,304,866
Total Assets		42,773,131	46,601,008
Current Liabilities			
Trade and other payables	8	7,603,373	6,737,164
Contract liabilities	9	3,341,718	7,186,784
Borrowings	10	-	1,135,915
Provisions	11	7,229,658	7,100,113
Total Current Liabilities		18,174,749	22,159,976
Non-Current Liabilities			
Provisions	11	3,181,463	3,068,397
Other liabilities	12	113,361	113,360
Total Non-Current Liabilities		3,294,824	3,181,757
Total Liabilities		21,469,573	25,341,733
Net Assets		21,303,558	21,259,275
Equity			
Retained surplus		21,184,573	21,137,060
Reserves	14	118,985	122,215
Total Equity		21,303,558	21,259,275

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Retained Surplus \$	Reserves for Disability \$	Reserves for Justice and Reintegration \$	Total \$
Opening balance at 1 July 2019	14,183,917	36,798	-	14,220,715
Current year surplus after income tax expense	7,038,560	-	-	7,038,560
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	7,038,560	-	-	7,038,560
Transfers to/(from) reserves	(85,417)	-	85,417	-
Balance at 30 June 2020	<u>21,137,060</u>	<u>36,798</u>	<u>85,417</u>	<u>21,259,275</u>
Current year surplus after income tax expense	47,513	-	-	47,513
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	47,513	-	-	47,513
Transfers to/(from) reserves	-	-	(3,230)	(3,230)
Balance at 30 June 2021	<u>21,184,573</u>	<u>36,798</u>	<u>82,187</u>	<u>21,303,558</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts From:			
Grants – operating		58,265,333	61,609,782
Contracts with customers		5,078,208	5,381,762
Interest received		78,526	280,228
Donations, bequests and fundraising		188,494	268,656
Other sundry income received		1,587,124	336,167
Payments to suppliers & employees		(67,700,196)	(63,841,369)
		<hr/>	<hr/>
Net cash (used in) / provided by operating activities		(2,502,511)	4,035,226
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		1,329,119	836,814
Net cash received from Outcare merger	2 (c)	-	8,610,296
Payments to acquire other financial assets		(38,105)	(2,563,007)
Payment for property, plant & equipment		(2,449,447)	(2,124,068)
		<hr/>	<hr/>
Net cash (used in) / provided by investing activities		(1,158,433)	4,760,035
Cash flows from financing activities			
NAB Borrowings		(1,135,915)	-
		<hr/>	<hr/>
Net cash (used in) / provided by financing activities		(1,135,915)	129,850
Net (decrease) / increase in Cash and Cash Equivalents		(4,796,859)	8,795,261
Cash and Cash Equivalents at the beginning of the Financial Year		29,699,627	20,904,366
		<hr/>	<hr/>
Cash and Cash Equivalents at the end of the Financial Year	3	24,902,768	29,699,627
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

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Notes to the financial statements

These financial statements are for Nulsen Group Ltd ('Nulsen' or 'the company') as an individual entity. The company is a not for profit, public company limited by guarantee, incorporated under the *Corporations Act 2001*. It was formerly an association incorporated in Western Australia under the *Associations Incorporation Act 2015* known as Nulsen Group Inc.

During the prior financial year the company completed a merger with Outcare Ltd (Outcare) and the net assets of Outcare were transferred to the company on 1 July 2019. Refer to Note 2 (b) (i) for the assets and liabilities of Outcare transferred.

The financial report was authorised for issue on 29 September 2021 by the Directors.

1. Summary of Significant Accounting Policies

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

(a) Basis of Preparation

These general purpose financial statements have 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*, the *Charitable Collections Act (1946) (WA)* and associated regulations, as appropriate for not-for-profit oriented entities.

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

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

(b) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board ('AASB')* that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Estimates and Judgements

(i) Leases

The company has entered into leases of houses with the Department of Communities as disclosed in Note 16.

The company applies AASB Interpretation 12 Service Concession Arrangements in relation to this arrangement as:

1. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price, specifically the company (the operator) currently leases are from the Department of Housing (the grantor). The company is restricted by the Department of Housing to provide services for specific purposes, i.e., to the disabled, hence the company is not able to utilise the leased properties for other purposes. Additionally, per the contract between the Department of Housing and the company, a rental amount is stipulated to be collected by the company on behalf of the Department of Housing.

(c) **Significant Accounting Judgments, Estimates and Assumptions (Continued)**

Key Estimates and Judgements

2. The grantor controls- through ownership, beneficial entitlement or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement. Specifically the contract requires that at the end of the lease term, the company will return the leased properties to the Department of Housing who controls through ownership, any significant residual interest on the properties.

Management has determined that all of the risks and rewards of ownership of these houses remains with the lessor and has therefore has not classified the leases as right of use assets.

(ii) *Grant income received*

The interaction between AASB 15 and AASB 1058 require management to assess whether the government grants and other funding received need to be accounted for under AASB 15 or AASB 1058. Key to this assessment is whether the government grants and other funding agreements contain:

- a contract with a customer that creates 'enforceable' rights and obligations, and
- the contract includes 'sufficiently specific' performance obligations.

Critical judgement was applied by management in assessing whether a promise is 'sufficiently specific', taking into account all facts and circumstances and any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services, including conditions regarding:

- the nature or type of the goods or services
- the cost or value of the goods or services
- the quantity of the goods or services
- the period over which the goods or services must be transferred.

(iii) *Long service leave*

The liability for long service leave is recognised and measured at the present value of the estimated 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.

(iv) *Estimation of useful lives of assets*

The estimated useful lives and related depreciation charge for items of property, plant and equipment is affected by factors such as technological innovation, physical wear and tear and expected usage.

(v) *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.

(d) **Revenue Recognition**

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.

Donations

Donations are recognised when received.

Legacies

Legacies are recognised when the company is notified of an impending distribution or when the legacy is received, whichever occurs earlier.

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Notes to the financial statements

(d) Revenue Recognition (Continued)

Revenue from government funding

The company's accommodation, recreation and community support and therapy support programs are supported by grants received from the Department of Communities (DOC) and National Disability Insurance Agency (NDIA).

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.

In-kind donations

Goods donated to the company are included at the fair value to the company where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(e) Expenditure

All expenditure is accounted for on an accrual basis and recognised in the statement of profit or loss and other comprehensive income upon utilisation of the service or at the date of their origin.

(f) 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.

(g) Comparative Figures

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

(h) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Cash and term deposits relating to the Nulsen Disability resident's trust account is included in the cash and cash equivalents of the company. There is a corresponding liability of an equal amount as these funds are held on behalf of individual residents.

(i) Financial Instruments

(i) Financial assets at fair value through profit & loss

Listed shares and listed redeemable notes held by the company are measured at fair value through profit and loss (FVTPL).

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

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Notes to the financial statements

(i) Financial Instruments (Continued)

(iii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at undiscounted balance owed.

De-recognition

Financial assets are derecognised where the contractual right to the receipt of cash flows expires, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

(j) Trade and Other Receivables

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

(k) 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.

(l) Property, Plant and Equipment

Basis of measurement of carrying amount

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses. Plant and equipment is stated at cost less accumulated depreciation and impairment.

The cost of buildings constructed by the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the 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 charged to the profit or loss during the financial period in which they are incurred.

Any property, plant and equipment donated to the company or acquired for nominal cost is recognised at fair value at the date the company obtains control of the asset.

Only items of greater than \$5,000 in cost or value, if an in-kind donation, are capitalised in the statement of financial position.

Depreciation

Items of property, plant and equipment (other than land and work in progress) are depreciated over their useful lives to the company commencing from the date the asset is available for use. Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets as follows:

Plant and Equipment	20% - 33%
Furniture and Fittings	20%
Motor Vehicles	20%
Buildings	2.5%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Impairment of non-financial assets

The carrying amount of Plant & Equipment is reviewed annually or on an indicator of impairment to ensure it is not in excess of the recoverable amount from these assets. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The 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

NULSEN GROUP LTD

Notes to the financial statements

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.

The asset is then written down to its recoverable amount. Impairment losses are recognised in profit or loss.

De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal, or when the item is no longer used in the operations of the company. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(m) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the company and were unpaid at the end of the reporting period. These amounts are usually settled in 30 days. The notional amount of the creditors and payables is deemed to reflect fair value.

(n) 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.

(o) Employee Provisions

Employee provisions comprise wages and salaries, annual and long service leave, accrued days off and contributions to superannuation plans.

Short-term employee provisions

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 services, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

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 the rates determined by reference to the market yields at the end of the reporting period on commercial bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement 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 at 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 provision.

(p) 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.

(q) 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

NULSEN GROUP LTD

Notes to the financial statements

(q) Fair value measurement (Continued)

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 best economic 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.

(r) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

No borrowing costs have been capitalised in the financial year ended 30 June 2021.

(s) Income Tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(t) Goods and Services Tax ('GST') and other similar taxes

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 which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are recognised inclusive of GST.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

NULSEN GROUP LTD

Notes to the financial statements

1. Revenue, other income and expenses

	2021 \$	2020 \$
(a) Revenue from grants and contracts with customers		
<u>Contracts with customers revenue - operating</u>		
National Disability Insurance Scheme	45,854,285	18,923,252
	<u>45,854,285</u>	<u>18,923,252</u>
<u>Grant revenue - operating</u>		
Department of Communities / Disability Services Commission	12,100,212	35,877,060
Department of Prime Minister & Cabinet	1,241,864	1,160,599
Mental Health Commission	916,023	987,965
Department of Social Services	228,007	221,026
Department of Training and Workforce Development	224,963	224,963
Department of Child Protection	2,053,720	240,294
St John of God Ministries Inc	221,610	221,447
Lotterywest	122,467	221,920
Other	1,020,135	845,868
	<u>18,129,001</u>	<u>40,001,142</u>
<u>Non-grant revenue</u>		
Fees from residents	4,748,819	4,894,978
Fees from justice and reintegration services	329,389	459,215
Nulsen business services	-	27,569
	<u>5,078,208</u>	<u>5,381,762</u>
	<u>69,061,494</u>	<u>64,306,156</u>
(b) Donations, bequests, fundraising		
Donations and Fundraising	177,392	231,606
Bequests	11,102	37,051
	<u>188,494</u>	<u>268,657</u>
(c) Gain on merger		
Gain on merger with Outcare	(i) -	7,649,852
	-	<u>7,649,852</u>
(i) Gain on merger with Outcare is represented by the net assets transferred from Outcare Limited and assumed by the company on 1 July 2019 for no consideration as follows.		
	\$	
Cash and cash equivalents	8,610,296	
Trade and other receivables	374,684	
Other assets	50,000	
Property, plant and equipment	2,280,644	
Trade and other payables	(1,631,330)	
Income in advance	(92,481)	
Provisions	(284,498)	
Other liabilities	(1,657,463)	
Net assets	<u>7,649,852</u>	
(d) Other income		
Gain on disposal of fixed assets	83,440	121,845
Interest	86,829	309,284
Dividend income	65,172	76,117
Other sundry income	290,992	227,212
	<u>526,433</u>	<u>734,458</u>
(e) Fair value gain/loss on financial assets at fair value through profit or loss		
Unrealised gain/(loss) on future shares and managed funds	7(a) 222,830	(71,164)
	<u>222,830</u>	<u>(71,164)</u>

All revenues were derived from Western Australia, Australia.

NULSEN GROUP LTD

Notes to the financial statements

2. Revenue, other income and expenses (Continued)

	2021	2020
	\$	\$
(f) Employee benefit expense		
Salary and wages	52,311,363	49,375,146
Superannuation contributions	4,969,580	4,690,639
Movement in employee benefits	1,319,070	1,134,901
Workers compensation insurance	1,133,896	943,429
Training costs	129,454	103,958
Other staffing costs	779,015	511,026
	60,642,378	56,759,099

Prior year employee benefit cost includes a provision for salary underpayment for the year ended 30 June 2020. Refer to Note 11 for further details.

3. Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	-	1,350
NAB offset account	-	1,144,510
Short-term deposits	15,540,504	13,482,295
Cash management account	4,434,020	10,714,294
Online investment account	1,220	1,220
Nulsen Disability Residents trust funds (note 4 and 8)	4,778,812	4,284,927
Housekeeping and float accounts	7,310	71,031
Online debit accounts	140,902	-
	24,902,768	29,699,627

Cash at bank earns interest at floating rates on daily deposit rates. Short term deposits are made for varying periods of between 30 days and 90 days depending on the company's cash requirements.

The average effective interest rate on the term deposits was 0.56% (2020: 1.16%).

Nulsen Disability Resident trust funds are held in trust on behalf of residents and used to cover board and lodging, chemist, medical and other activity expenses. As at 30 June 2021 this comprises of cash of \$4,778,812 (2020: \$4,284,927) and \$1,990 (2020: \$12,870) owing from the Public Trustee for board and lodging fees which have been classified as trade and other receivables as disclosed in Note 4. This represents the amount disclosed in Note 8 trade and other payables held on trust for the resident of \$4,780,803 (2020: \$4,297,797).

4. Trade and other receivables

	2021	2020
	\$	\$
Trade receivables	230,527	567,362
Nulsen Disability Residents trust account receivable (Note 3)	1,990	12,870
Prepayments	56,914	127,054
Other receivables	45,596	45,938
GST Input Tax	261,087	32,315
	596,114	785,539

No impairment allowance on trade and other receivables is deemed necessary for the current and prior year

5. Contract Assets

	2021	2020
	\$	\$
NDIS accrued income	2,639,665	1,810,976
	2,639,665	1,810,976

NULSEN GROUP LTD

Notes to the financial statements

6. Property, plant and equipment

	Land \$	Buildings \$	Plant and Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	TOTAL \$
Cost						
Balance at 30 June 2019	2,661,927	4,400,726	1,341,355	1,825,522	4,554,620	14,784,150
Transfers In	619,458	1,693,284	634,508	142,155	93,942	3,183,347
Additions	-	360,578	234,001	-	1,529,489	2,124,068
Disposals	-	-	-	-	(919,989)	(919,989)
Balance at 30 June 2020	3,281,385	6,454,588	2,209,864	1,967,677	5,258,062	19,171,576
Additions	-	562,256	113,690	21,371	1,752,130	2,449,447
Disposals	-	-	(1,495,364)	(40,365)	(1,617,734)	(3,153,463)
Balance at 30 June 2021	3,281,385	7,016,844	828,190	1,948,683	5,392,458	18,467,560
Accumulated Depreciation						
Balance at 30 June 2019	-	(1,238,346)	(1,235,852)	(1,032,780)	(3,333,472)	(6,840,450)
Transfers In	-	-	-	-	204,328	204,328
Disposals	-	(212,742)	(543,573)	(97,022)	(48,675)	(902,012)
Depreciation Expense	-	(143,884)	(142,042)	(374,506)	(550,327)	(1,210,759)
Balance at 30 June 2020	-	(1,594,972)	(1,921,467)	(1,504,308)	(3,728,146)	(8,748,893)
Disposals	-	-	1,495,027	40,038	372,720	1,907,785
Depreciation Expense	-	(147,294)	(139,223)	(379,826)	(468,643)	(1,134,986)
Balance at 30 June 2021	-	(1,742,266)	(565,663)	(1,844,096)	(3,824,069)	(7,976,094)
Net Book Value						
As at 30 June 2020	3,281,385	4,859,616	288,397	463,369	1,529,916	10,422,683
As at 30 June 2021	3,281,385	5,274,578	262,527	104,587	1,568,389	10,491,466

The company currently has no equipment or motor vehicles under lease agreements.

7. Other financial assets at fair value through profit or loss

	2021 \$	2020 \$
Nulsen Disability Future Fund comprising:		
Shares and managed funds	1,263,739	830,826
Bonds and cash	243,063	559,513
	1,506,802	1,382,183
Outcare Future Fund comprising:		
Shares and managed funds	2,159,035	-
Bonds and cash	477,281	2,500,000
	2,636,316	2,500,000
	4,143,118	3,882,183
(a) Movements in balance		
Opening balance	3,882,183	1,390,339
Interest and dividends income	66,888	78,253
Management fees paid	(28,783)	(15,245)
Additions during the year	-	2,500,000
Unrealised movement during the year	222,830	(71,164)
Closing balance	4,143,118	3,882,183

Financial assets at fair value through profit or loss include a portfolio of securities listed on the Australian Securities Exchange, managed funds, bonds and cash. The portfolio valuation is managed by a professional investment adviser. These investments are spread across a range of various industrial and geographical sectors in accordance with the company's investment policy to manage exposure to risk.

NULSEN GROUP LTD

Notes to the financial statements

8. Trade and other payables

	2021 \$	2020 \$
Trade payables	537,047	488,593
Nulsen Disability Residents Trust Funds (Note 3)	4,780,803	4,297,797
Other payables	81,304	464,505
Accruals	2,150,036	1,421,119
GST payable	54,183	65,150
	7,603,373	6,737,164

9. Contract liabilities

	2021 \$	2020 \$
Grants in advance – Nulsen Disability	586,627	1,766,847
Grants in advance – Outcare	2,334,965	3,163,113
Grants in advance – One off grants	80,038	2,076,306
Grants in advance – Lotterywest	301,945	78,540
Other contracts income in advance	38,143	101,978
	3,341,718	7,186,784

10. Borrowings

	2021 \$	2020 \$
Bank borrowing facility	-	1,135,915
	-	1,135,915

Bank facilities

The drawdown facility was discharged during the year (2019: \$1,500,000 available with the National Australia Bank of which \$1,135,915 was utilised and an offset account operated in conjunction with this facility to minimise or eliminate interest charges with \$1,144,510 held in the offset account).

11. Provisions

	2021 \$	2020 \$
(a) Current		
Long service leave	669,585	535,686
Accrued days off	820,849	705,829
Annual leave	5,738,154	4,781,070
Nulsen Disability Residents fee waiver	1,070	1,070
Employee salary underpayment	-	1,076,458
	7,229,658	7,100,113
(b) Non-current		
Long service leave	3,181,463	3,068,397
(c) Movements in provisions		
Opening balance	10,168,510	7,957,150
Charge for the year	7,738,056	7,603,816
Utilised during the year	(7,495,445)	(5,392,456)
Closing balance	10,411,121	10,168,510

The current portion of provisions includes the total amount accrued for annual leave entitlements and the amounts accrued for long service entitlements that have vested due to employees having completed the required period of service. Based on the past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The provision for employee salary underpayment in financial year 2020 was resulting from a change of interpretation of the better off overall test for employee pay rates between the company's Enterprise Bargaining Arrangement (EBA) and Social, Community, Home Care and Disability Services (SCHADS) Award. This underpayment was disbursed to employees in 2021.

The non-current portion of provisions include amounts accrued for long-service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NULSEN GROUP LTD

Notes to the financial statements

12. Other Liabilities

	2021	2020
	\$	\$
Non-current		
Housing provider rent surplus	113,361	113,360
	113,361	113,360

The company sets a rent surplus aside for the Pira Ave property leased from Disability Services Commission in the event that Department of Communities recall the lease and request the return of the rent surplus.

13. Financial risk management

The company's financial instruments mainly comprise of cash and cash equivalents, trade and other receivables, other financial assets, trade and other payables and borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with the accounting policies to these financial statements are as follows:

	2021	2020
	\$	\$
Financial assets		
<i>Amortised cost:</i>		
Cash and cash equivalents	24,902,768	29,699,627
Trade and other receivables	596,114	1,829,738
Contract assets	2,639,665	766,777
	28,138,547	32,296,142
<i>Fair value through profit or loss:</i>		
Financial assets at fair value through profit or loss	4,143,118	3,882,183
	4,143,118	3,882,183
	32,281,665	36,178,325
Financial liabilities		
Trade and other payables	7,603,373	6,737,164
Contract liabilities	3,341,718	7,186,784
Borrowings	-	1,135,915
	10,945,091	15,059,863

14. Reserves – Restricted Funds

On occasions the company receives funds that are restricted for a designated purpose. To facilitate observance of these requirements, the financial report lists separately those funds which are restricted. Restricted funds are those funds presently available for use, but expendable only for operating purposes specified by the donor or by statute.

	2021	2020
	\$	\$
Reserves for Disability		
The Ethel & John Hodgson Scholarship	7,810	7,810
Kellie Bridger Safety Award	28,988	28,988
	36,798	36,798
Reserves for Justice and Reintegration		
Scott Scholarship	53,750	63,750
Benmark Foundation	28,437	21,667
	82,187	85,417
	118,985	122,215

15. Capital commitments

The company has no major capital commitments as at year end (2020:\$nil).

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Notes to the financial statements

16. Housing leases

The company has an economic dependency on the on-going lease agreement with the Department of Communities for the rental of residential houses for its accommodations program.

There are two significant agreements with details as follows:

Crisis Accommodation Program

Counterparty	Department of Communities
Term	3 year term, commencing 1 July 2019; expiring 30 June 2022
Restriction of use	Subletting premises for community housing and ancillary purposes specifically related to Crisis Accommodation and Transitional Housing
Underlying assets	21 properties
Lease fee	\$5.00 per week for each recipient of housing

Community Disability Housing Program

Counterparty	Department of Communities
Term	3 year term, commencing 1 July 2019; expiring 30 June 2022
Restriction of use	Subletting premises for community housing and ancillary purposes specifically related to Community Disability Housing
Underlying assets	62 properties
Lease fee	\$5.00 per week for each recipient of housing

There are an additional 7 individual leases for properties with the Department of Communities, Department of Justice and Department of Child Protection. These leases are under similar term duration, restrictions of use and lease fee as noted above. Where possible the intention is to roll these leases into the above head leases as part of next renewal.

The company's lease agreement with the Department of Communities have been renewed after each three years under similar terms as conditions as the current contract agreement. For the 2021 financial year the yearly rental cost was \$67,340 (2020: \$67,080).

17. Encumbrances on real property

28 Burton Street, Cannington

Lot 1, 28 Burton Street, Cannington was acquired during the financial year ended 30 June 1997. The company is the registered owner of the property however the Disability Services Commission holds a caveat which ensures that the site is only used for appropriate purposes.

Lot 2, 28 Burton Street, Cannington was acquired during the financial year ended 30 June 2000. The property was subject to a Deed of Trust between the company and the Lotteries Commission. This has been replaced by a Deed of Revocation of Trust on 15 May 2020. Lotteries Commission withdrew its caveat over this property during the financial year.

Lot 3, 28 Burton Street, Cannington was acquired in June 2006 using internal resources. With funding contributed by the Lotteries Commission, the company undertook renovations to the property and a Deed of Trust ("the Deed") with the following terms was executed in relation to this work.

- (i) The company, as trustee, holds Lot 3, 28 Burton Street, Cannington for itself and Lotterywest Commission as tenants in common in respect to the undivided shares held by each as specified in the Deed schedule.
- (ii) The undivided share to the Lotterywest Commission is 920,000/2,000,000.
- (iii) The term of the Deed is 20 years. At the end of the term in 2026 the Lotteries Commission's beneficial interest in the property will revert to the company.

The written down value of Lot 3, 28 Burton Street, Cannington as at 30 June 2021 was \$1,103,258 (2020: \$1,146,976).

32 Burton Street, Cannington

32 Burton Street, Cannington was acquired during the financial year ended 30 June 2016. The purchase and a major refurbishment project which was completed during the financial year ended 30 June 2017 were undertaken with funding support from Lotteries Commission. The company is the registered owner of the property however the Lotteries Commission holds a caveat over the property that expires in 2026

NULSEN GROUP LTD

Notes to the financial statements

17. Encumbrances on Real Property (Continued)

27 Moore Street, East Perth

The Lotteries Commission has a beneficial interest in the title of the land and buildings located at 27 Moore Street, East Perth. A caveat is registered over the title of the property and places restrictions on the sale and transfer of the property. The caveat expires on 2 February 2024.

18. Contingent liabilities

The company had no contingent liabilities as at 30 June 2021 and 30 June 2020.

19. Economic dependence

The company's activities are largely funded by the Department of Communities and the National Disability Insurance Agency. At the date of this report, the members of the Board had no reason to believe that such service funding would not continue to be provided to the company.

20. Related party transactions

(a) **Board members**

Board members in office during the year are disclosed in the Directors report that accompanies these financial statements.

(b) **Board members compensation**

Board members act in an honorary capacity and receive no compensation for their services. In the prior financial year the former Chair, David Gilchrist, up to the point of his resignation had the use of a fuel card for an amount of \$334.

(c) **Key management personnel compensation**

Name	Position
Gordon Trewern	Chief Executive Officer
Geoffrey Patching	Chief Financial Officer
Graham Holman	Executive Director, Corporate Services
Caroline Watt	Executive Director, Nulsen Disability Services
Bridget Harvey	Executive Director, Outcare
Daniel Reid	Executive Director, Risk, Compliance and Governance

The total compensation paid to the key management personnel noted is as follows:

	2021	2020
	\$	\$
Salaries	1,071,602	1,237,773
Fringe benefits (grossed up value)	236,392	254,642
Superannuation	162,173	242,886
Total short-term employee benefits	1,470,167	1,735,301
Total long-term employee benefits	44,837	18,059
Total employee benefits	1,515,004	1,753,360
% of total revenue	2.20%	2.41%

(d) **Transactions with related parties**

There were no transactions with related parties for the year ended 30 June 2021 (2020: \$NIL).

21. Events after the reporting date

(a) COVID-19

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 dependent on measures imposed by the Western Australian Government, Australian Government and other countries.

(b) Enterprise Bargaining Agreement (EBA)

The company has been unsuccessful with negotiation with Disability staff on an agreement for a new EBA or adoption of the Social, Community, Home Care and Disability Services (SCHADS) Award. The company has lodged an application with the Fair Work Commission to cancel the EBA in favour of the Award. The process is on-going and will be completed after the date of signing these accounts.

(c) Company Restructure

The company commenced the process of undergoing a restructure because of guidance provided by NDIS on provision of services by the same entity. This restructure is not expected to be fully complete until the end of the 2021-22 financial year. This restructure will result in the transfer of operations to the new legal entity in accordance with NDIS guidelines.

(d) NDIS SIL Funding

The Nulsen Board is committed to take appropriate actions to mitigate potential losses incurred as the result of NDIS SIL funding changes.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's situation in future financial years.

DIRECTORS DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and *Charitable Collections Act (1946) (WA)*, the *Charitable Collections Regulations (1947) (WA)*, the *Corporation Act 2001* and other mandatory reporting requirements;
- the attached financial statements and notes 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
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Eileen Newby', written in a cursive style.

Ms Eileen Newby
Director and Chair, Finance Committee

28 September 2021
Perth

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NULSEN GROUP LTD**

Opinion

We have audited the financial report of Nulsen Group Ltd (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 declaration by the Board of Directors.

In our opinion, the 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 and cash flows for the year ended on that date; and
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements, Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company, in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and the 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.

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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.

Responsibilities of the Board of Management for the Financial Report

The Board of Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

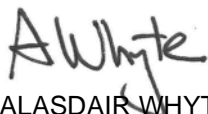
Auditor's Responsibilities for the Audit of the Financial Report

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 at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Perth, WA
Dated: 28 September 2021

RSM
RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'Al Whyte' with a stylized flourish at the end.
ALASDAIR WHYTE
Partner



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