

WAYSS LIMITED
A.B.N. 38 080 191 108

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019

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WAYSS LIMITED
A.B.N. 38 080 191 108

DIRECTORS' REPORT

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

Directors

The names of the directors in office at any time during, or since the end of the year are:

Mr Steve Peterson
Mrs Margaret R Kasbach
Mrs Raelene Stockton
Mr Peter Le Souef
Mr Nigel Neal
Ms Julia Canty
Mrs Sue Brown
Mr Vijay Susarla
Mrs Diana Brown

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$168,646.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were to provide support and assistance to people who are homeless, at risk of homelessness or are escaping family violence in the South East region of Victoria.

The assistance was provided in the form of:

- a. Homelessness assistance and support via Wayss homelessness assistance and support programs
- b. Family Violence support via Wayss Family Violence programs
- c. Transitional and long term accommodation via Transitional Housing Management program and Wayss managed Rooming Houses
- d. Emergency accommodation via Wayss Southern Women's Integrated Support Service and Emergency Youth Accommodation residential facilities
- e. Direct financial assistance via Housing Establishing Fund and Brokerage funds

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

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

WAYSS LIMITED
A.B.N. 38 080 191 108

DIRECTORS' REPORT

Information on Directors

Steve Peterson

Experience/Qualifications

Special Responsibilities

Margaret Kasbach

Experience/Qualifications

Special Responsibilities

Raelene Stockton

Experience/Qualifications

Peter Le Souef

Experience/Qualifications

Special Responsibilities

Nigel Neal

Experience/Qualifications

Special Responsibilities

Julia Canty

Experience/Qualifications

Sue Brown

Experience/Qualifications

Special Responsibilities

Vijay Susarla

Experience/Qualifications

Special Responsibilities

Diana Brown

Experience/Qualifications

Special Responsibilities

Chairperson

MD Sports Management Co

Director since 2015

Risk Management Committee member

Director

Home Economist

Director since 1997

Finance Committee member

Director

Program Manager

Director since 1997

Director

Solicitor

Director since 2008

Risk Management Committee member

Director

Finance & Quantitative Analysis

Director since 2016

Finance Committee Member

Director

Consultant

Director since 2018

Director

General Manager

Director since 2019

Strategy Committee Member

Director

CEO and Management Consultant

Director since 2019

Finance Committee Member

Director

Strategy & Technology

Director since 2019

Chair & Strategy Committee

WAYSS LIMITED
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DIRECTORS' REPORT

Directors Meetings and Attendance

	Directors Meetings	
	Number eligible to attend	Number attended
Mr Steve Peterson	10	8
Mrs Margaret R Kasbach	10	10
Mrs Raelene Stockton	10	7
Mr Peter Le Souef	10	8
Mr Nigel Neal	10	10
Ms Julia Canty	10	9
Mrs Sue Brown	4	4
Mr Vijay Susarla	4	3
Mrs Diana Brown	4	3

Environmental Regulation

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

Indemnification of Officers

The Department of Health & Human Services (DHHS) arranged and funded an insurance program for funded non-government organisations.

This coverage includes public/products liability, professional indemnity and directors and officers liability.

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

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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 4.

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

Director: 
Mr Steve Peterson

Director: 
Mrs Margaret R Kasbach

Dated this 23rd day of October 2019

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WAYSS LIMITED

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2019 there have been:

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

Name of Firm: 
MORTON WATSON & YOUNG AUDIT PTY LTD
Chartered Accountants

Name of Director: 
Kerpel S Harnam - Registered Company Auditor

Address: 51 Robinson Street, Dandenong Vic 3175

Dated this 23rd day of October 2019

WAYSS LIMITED
A.B.N. 38 080 191 108

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

	Note	2019 \$	2018 \$
Revenue from ordinary activities	3	19,023,808	17,439,727
Other income	3	<u>88,779</u>	<u>357,148</u>
		19,112,587	17,796,875
Administration expenses		(443,687)	(508,585)
Auditor's remuneration	4	(14,064)	(13,000)
Depreciation and amortisation expenses		(549,111)	(535,538)
Employee benefits expenses		(12,733,640)	(11,708,500)
Housing establishment fund expenses		(796,565)	(803,322)
Occupancy expenses		(795,986)	(1,253,632)
Property management expenses		(1,483,877)	(1,263,675)
Other expenses		<u>(2,127,011)</u>	<u>(1,559,587)</u>
Profit before income tax	5	168,646	151,036
Retained earnings at the beginning of the financial year		3,229,092	3,078,056
Other comprehensive income (expense)		<u>-</u>	<u>-</u>
Profit attributable to members of the company		<u><u>3,397,738</u></u>	<u><u>3,229,092</u></u>

The accompanying notes form part of these financial statements.

WAYSS LIMITED
A.B.N. 38 080 191 108

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	7,545,649	6,690,359
Trade and other receivables	7	88,834	88,729
Other current assets	8	150,074	127,451
TOTAL CURRENT ASSETS		<u>7,784,557</u>	<u>6,906,539</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,148,446	5,339,844
TOTAL NON-CURRENT ASSETS		<u>6,148,446</u>	<u>5,339,844</u>
TOTAL ASSETS		<u>13,933,003</u>	<u>12,246,383</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	450,063	619,066
Borrowings	11	-	118
Provisions	12	4,179,350	3,773,638
Other current liabilities	13	1,112,081	716,628
TOTAL CURRENT LIABILITIES		<u>5,741,494</u>	<u>5,109,450</u>
NON-CURRENT LIABILITIES			
Provisions	12	463,771	394,841
TOTAL NON-CURRENT LIABILITIES		<u>463,771</u>	<u>394,841</u>
TOTAL LIABILITIES		<u>6,205,265</u>	<u>5,504,291</u>
NET ASSETS		<u>7,727,738</u>	<u>6,742,092</u>
EQUITY			
Reserves	14	4,330,000	3,513,000
Retained earnings	15	3,397,738	3,229,092
TOTAL EQUITY		<u>7,727,738</u>	<u>6,742,092</u>

The accompanying notes form part of these financial statements.

WAYSS LIMITED
A.B.N. 38 080 191 108

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

Note	Retained earnings \$	Income Protection Reserve \$	Bequested Property Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2017	3,078,056				3,078,056
Opening balance for the year		-	3,513,000	-	3,513,000
Profit attributable to equity shareholders	151,036				151,036
Balance at 30 June 2018	3,229,092	-	3,513,000	-	6,742,092
Profit attributable to equity shareholders	168,646				168,646
Current year revaluation		-	-	817,000	817,000
14 Balance at 30 June 2019	3,397,738	-	3,513,000	817,000	7,727,738

The accompanying notes form part of these financial statements.

WAYSS LIMITED
A.B.N. 38 080 191 108

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	23,216,845	18,881,216
Payments to suppliers and employees	(22,088,016)	(17,428,047)
Interest received	178,512	128,950
Net cash provided by operating activities	17 <u>1,307,341</u>	<u>1,582,119</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	685,061	1,117,297
Payments for capital improvements	-	(1,180)
Payments for motor vehicles	(1,009,466)	(818,941)
Payments for computers	(65,907)	(59,346)
Payments for furniture and equipment	(17,445)	(127,431)
Payments for leasehold improvements	(44,176)	(179,160)
Net cash used in investing activities	<u>(451,933)</u>	<u>(68,761)</u>
Net increase in cash held	855,408	1,513,358
Cash at beginning of financial year	6,690,241	5,176,883
Cash at end of financial year	6 <u>7,545,649</u>	<u>6,690,241</u>

The accompanying notes form part of these financial statements.

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

The financial report covers Wayss Limited as an individual entity. Wayss Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Wayss Limited is Australian dollars.

The financial report was authorised for issue by the Directors.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

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

2 Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

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

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Motor vehicles	25%
Computer equipment	33.33%
Furniture and equipment	20%
Leasehold improvements	33.33%
Capital improvements	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

Financial Instruments

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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

Impairment of Non-Financial Assets

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

Where this indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Revenue and Other Income

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

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

Rental income

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

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

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

Grant revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

Critical Accounting Estimates and Judgments

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Fair value less cost to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Economic Independence

Wayss Limited is dependent on the Department of Health & Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Wayss Limited.

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

	2019	2018
	\$	\$
3 Revenue and Other Income		
Revenue		
State and Federal Government Grants		
DHHS Funding/Grants	16,321,745	14,782,739
THM Property - Operating	1,397,904	1,369,653
HEF Grants	793,846	818,223
	<u>18,513,495</u>	<u>16,970,615</u>
Other revenue:		
Interest received	178,512	128,950
Other revenue	331,801	340,162
	<u>510,313</u>	<u>469,112</u>
Total revenue	<u>19,023,808</u>	<u>17,439,727</u>
Other income		
Profit on Sale of Non-current Assets	88,779	357,148
Total other income	<u>88,779</u>	<u>357,148</u>
Other revenue from:		
Non DHHS Income	13,825	20,585
Sundry Income	13,671	13,851
Business Undertakings		
Rent Recovery	1,901,768	1,865,862
Less: OoH Rent Remitted	(1,597,463)	(1,560,136)
	<u>304,305</u>	<u>305,726</u>
Total other revenue	<u>331,801</u>	<u>340,162</u>
4 Auditor's Remuneration		
Auditor's Remuneration		
Audit of Accounts	<u>14,064</u>	<u>13,000</u>

WAYSS LIMITED
A.B.N. 38 080 191 108

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

		2019	2018
		\$	\$
5	Profit		
	Expenses		
	Depreciation of property, plant and equipment	<u>549,111</u>	<u>535,538</u>
	Increase (decrease) in:		
	Annual Leave Provision	17,758	160,610
	Long Service Leave Provision	(47,358)	78,555
	Office Relocation Provision	-	400,000
	Redundancy/Retirement Provision	-	13,646
	Time in Lieu Provision	574	7,645
		<u>(29,026)</u>	<u>660,456</u>
	Revenue and Other Income		
	Profit on Sale of Non-current Assets	<u>88,779</u>	<u>357,148</u>
6	Cash and Cash Equivalents		
	Cash on Hand	6,288	6,820
	Cash at Banks	7,539,361	6,683,539
		<u>7,545,649</u>	<u>6,690,359</u>
	Reconciliation of cash		
	Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:		
	Cash on Hand	6,288	6,820
	Cash at Banks	539,361	820,294
	Bank Overdraft	-	(118)
	Term Deposits	7,000,000	5,863,245
		<u>7,545,649</u>	<u>6,690,241</u>
7	Trade and Other Receivables		
	Current		
	Sundry Debtors	82,853	76,436
	Trade Debtors	5,981	12,293
		<u>88,834</u>	<u>88,729</u>
8	Other Non-Financial Assets		
	Current		
	Prepayments	<u>150,074</u>	<u>127,451</u>

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

	2019	2018
	\$	\$
9 Property, Plant and Equipment		
Land and Buildings		
Property/Buildings at Cost	300,000	240,000
Requested Properties at Acquisition Value	<u>4,270,000</u>	<u>3,513,000</u>
	<u>4,570,000</u>	<u>3,753,000</u>
Capital Improvements at Cost	70,314	70,314
Less: Accumulated Depreciation	<u>(59,273)</u>	<u>(55,613)</u>
	<u>11,041</u>	<u>14,701</u>
Leasehold Improvements at Cost	396,511	352,334
Less: Accumulated Depreciation	<u>(275,399)</u>	<u>(208,756)</u>
	<u>121,112</u>	<u>143,578</u>
Total Land and Buildings	<u><u>4,702,153</u></u>	<u><u>3,911,279</u></u>
Motor Vehicles at Cost	1,624,308	1,656,350
Less: Accumulated Depreciation	<u>(401,639)</u>	<u>(460,343)</u>
	<u>1,222,669</u>	<u>1,196,007</u>
Computers at Cost	254,272	188,365
Less: Accumulated Depreciation	<u>(157,458)</u>	<u>(104,791)</u>
	<u>96,814</u>	<u>83,574</u>
Furniture & Equipment at Cost	333,458	316,013
Less: Accumulated Depreciation	<u>(206,648)</u>	<u>(167,029)</u>
	<u>126,810</u>	<u>148,984</u>
Total Plant and Equipment	<u><u>1,567,405</u></u>	<u><u>1,572,143</u></u>
Total Property, Plant and Equipment	<u><u>6,148,446</u></u>	<u><u>5,339,844</u></u>

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

	2019	2018	
	\$	\$	
Movements in Carrying Amounts			
Movement in the carrying amounts for each class of property and equipment between the beginning and the end of the current financial year.			
	Land & Buildings	Leasehold & Capital Improvements	Furniture and Equipment
	\$	\$	\$
Balance at 1 July 2017	4,113,000	29,623	119,247
Additions	-	180,340	186,775
Disposals	(360,000)	(4,021)	-
Depreciation expense	-	(47,662)	(73,466)
Balance at 30 June 2018	<u>3,753,000</u>	<u>158,280</u>	<u>232,556</u>
Additions	-	44,177	83,353
Disposals	-	-	(1,039,668)
Revaluation increments/(decrements)	817,000	-	-
Depreciation expense	-	(70,302)	(92,287)
Depreciation write back	-	-	445,226
Carrying amount at 30 June 2019	<u><u>4,570,000</u></u>	<u><u>132,155</u></u>	<u><u>223,622</u></u>
			Motor Vehicles
			\$
			1,188,315
			818,940
			(396,839)
			(414,410)
			<u>1,196,006</u>
			1,007,627
			(1,039,668)
			-
			-
			-
			445,226
			<u>1,222,669</u>
			<u><u>6,148,446</u></u>

10 Trade and Other Payables

Current		
Payroll Liabilities	123,192	80,899
Trade Creditors	170,685	300,295
Sundry Creditors	12,948	5,560
OoH Rent Payable	131,156	122,428
GST Paid on Purchases	(133,879)	(43,621)
GST Collected on Sales	145,961	153,505
	<u>450,063</u>	<u>619,066</u>

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

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

	2019 \$	2018 \$
11 Borrowings		
Current		
Overdraft NAB Rental Brokerage Account	<u>-</u>	<u>118</u>
12 Provisions		
Movements:		
Opening balance at 1 July 2018	4,168,479	3,508,023
Additional provisions raised during the year	521,999	827,167
Amounts used	<u>(47,358)</u>	<u>(166,711)</u>
	<u>4,643,120</u>	<u>4,168,479</u>
Analysis of Total Provisions		
<i>Current</i>		
Provision for Annual Leave	866,699	848,940
Provision for Long Service Leave	891,606	1,007,894
Provision for Time in Lieu	21,418	20,843
Provision for Redundancy/Retirement	499,627	495,961
Provision for Transition Readiness	300,000	-
Provision for Wayss Property	200,000	-
Provision for Office Relocation	<u>1,400,000</u>	<u>1,400,000</u>
	<u>4,179,350</u>	<u>3,773,638</u>
<i>Non-current</i>		
Provision for Long Service Leave	<u>463,771</u>	<u>394,841</u>
	<u>463,771</u>	<u>394,841</u>
Total Provisions	<u>4,643,121</u>	<u>4,168,479</u>

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

	2019	2018
	\$	\$
Employee Provisions		
<p>The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on 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.</p>		
<p>The non-current portion for this provision includes 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.</p>		
13 Other Liabilities		
Current		
Accruals	481,170	590,169
Funding in Advance	258,449	30,000
Unexpended Grants	372,462	96,459
	<u>1,112,081</u>	<u>716,628</u>
14 Reserves		
Bequested Property Reserve		
Opening Balance for the year	3,513,000	3,513,000
Asset Revaluation Reserve	817,000	-
	<u>4,330,000</u>	<u>3,513,000</u>
15 Retained Earnings		
Retained earnings at the beginning of the financial year	3,229,092	3,078,056
Net profit attributable to members of the company	168,646	151,036
Retained earnings at the end of the financial year	<u>3,397,738</u>	<u>3,229,092</u>

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

	2019	2018
	\$	\$
16 Capital and Leasing Commitments		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	682,441	498,495
Between 12 months and five years	1,614,332	663,611
Later than five years	1,525,200	11,564
	<u>3,821,973</u>	<u>1,173,670</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five year term (Thomas Street and Langmore Lane). No capital commitments exist in regards to the operating lease commitments at year-end. Increase in lease commitment may occur in line with CPI.

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

	2019	2018
	\$	\$
17 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit		
Profit after income tax	168,646	151,036
Non-cash flows in profit		
Profit on sale of non-current assets	(88,780)	(357,148)
Depreciation	549,111	535,538
Charges to provisions	474,641	660,455
Changes in assets and liabilities		
(Increase) Decrease in current receivables	(106)	35,075
(Increase) Decrease in prepayments	(22,623)	(10,920)
Increase (Decrease) in trade creditors	(169,003)	180,286
Increase (Decrease) in accrued charges	(108,998)	513,230
Increase (Decrease) in income in advance	504,453	(125,433)
	<u>1,307,341</u>	<u>1,582,119</u>

18 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents	545,648	827,114
Investments	7,000,000	5,863,245
Loans and receivables	88,834	88,729
Total Financial Assets	<u>7,634,482</u>	<u>6,779,088</u>
Financial Liabilities		
Bank overdraft secured	-	118
Trade and other payables	450,061	619,066
Funding in advance	258,449	30,000
Unexpended grants	372,462	96,459
Total Financial Liabilities	<u>1,080,972</u>	<u>745,643</u>

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

2019	2018
\$	\$

Financial Risk Management Policies

The finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the finance committee on a regular basis. These included the credit risk policies and future cash flow requirements.

Credit Risk

The company does not have any material credit risk exposure as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 90% of the grants being received from state and federal governments are in accordance with funding agreements which ensure regular funding for a period of 3 years.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poors rating of at least AA.

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- maintaining a reputable credit profile
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The company is not exposed to securities price risk on investments held for trading or for medium to longer terms.

WAYSS LIMITED
A.B.N. 38 080 191 108

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

	2019	2018
	\$	\$
19 Key Management Personnel		
Any person having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.		
Key management personnel compensation:		
Short-term employee benefits	1,093,336	855,188
Post-employment benefits	-	-
Termination benefits paid	199,850	-
Total compensation	<u>1,293,186</u>	<u>855,188</u>

20 Related Party Transactions

There were no related party transactions during the year. In accordance with the Constitution, directors are not eligible for any remuneration except for reimbursement of out-of-pocket expenses.

21 Capital Management

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

22 Members Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstandings and obligations of the entity.

23 Statutory Information

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

Wayss Limited
294-300 Thomas Street
Dandenong Vic 3175

WAYSS LIMITED
A.B.N. 38 080 191 108

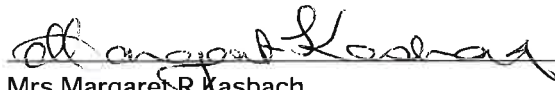
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 23, for the year ended 30 June 2019 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position and performance of the company; and
 - (c) satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 
Mr Steve Peterson

Director: 
Mrs Margaret R Kasbach

Dated this 23 day of October 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WAYSS LIMITED
A.B.N. 38 080 191 108**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wayss Limited, (the company) which comprises the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (iii) complying with the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors' 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 Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditors' report.

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

Responsibilities of Directors' for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WAYSS LIMITED
A.B.N. 38 080 191 108**

Auditor's Responsibility 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 auditors' 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.

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 directors.
- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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 the directors 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 directors 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WAYSS LIMITED
A.B.N. 38 080 191 108**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm: MORTON WATSON & YOUNG AUDIT PTY LTD
Chartered Accountants

Name of Director: _____
Kerpai S Harnam - Registered Company Auditor

Address: 51 Robinson Street, Dandenong Vic 3175

Dated this day of