Jigsaw Group (AUS) Limited

ABN 87 624 033 487

Financial Statements - 30 September 2020

The directors present their report, together with the financial statements, on the company for the period ended 30 September 2020.

Directors

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

Tim Powell
Laura O'Reilly
Stephen Cake
Robert Buckingham

Principal activities

During the financial year the principal continuing activities of the company are training people with disability through its document and data management business training program and supporting their transition to secure mainstream employment.

Significant changes

The company was incorporated on 29 March 2018 and commenced operations on 7 January 2020.

Contributions on winding up

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

The total amount that members of the company are liable to contribute if the company is wound up is $40, based on 4 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

On behalf of the directors

Laura O'Reilly	Stephen Cake
Director	Chair

15 February 2021

LBW & Partners
Chartered Accountants & Business Advisors
ABN 80 618 803 443

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Jigsaw Group (AUS) Limited

ABN: 87 624 033 487

Auditor's Independence Declaration to the Directors of Jigsaw Group (AUS) Limited

I declare that, to the best of my knowledge and belief, during the period ended 30 September 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 15th day of February 2021

Jigsaw Group (AUS) Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 September 2020

	2020 $
Revenue	
Revenue from contracts with customers:	
- Service revenue	1,843,413
- Grants	728,816
- Business revenue	467,280
Government subsidies (COVID-19)	1,297,000
Interest	2
Other	10,302
Total revenue	4,346,813
Expenses	
Administration expenses	(570,365)
Service delivery expenses	(3,308,034)
Finance costs	(33,875)
Total expenses	(3,912,274)
Surplus before income tax expense	434,539
Income tax expense	-
Surplus after income tax expense for the period	434,539
Other comprehensive income for the period, net of tax	-
Total comprehensive income for the period	434,539

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

Jigsaw Group (AUS) Limited
Statement of financial position
As at 30 September 2020

	Note	2020 $
Assets		
Current assets		
Cash and cash equivalents	5	809,236
Trade and other receivables	6	535,964
Other	7	35,302
Total current assets		1,380,502
Non-current assets		
Property, plant and equipment	8	255,401
Right-of-use assets	9	1,448,410
Total non-current assets		1,703,811
Total assets		3,084,313
Liabilities		
Current liabilities		
Trade and other payables	10	191,104
Contract liabilities		245,825
Borrowings	11	10,905
Lease liabilities	12	166,377
Employee benefits	13	178,456
Total current liabilities		792,667
Non-current liabilities		
Trade and other payables	10	68,007
Borrowings	11	417,105
Lease liabilities	12	1,348,858
Employee benefits	13	23,137
Total non-current liabilities		1,857,107
Total liabilities		2,649,774
Net assets		434,539
Equity		
Retained surplus		434,539
Total equity		434,539

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

Jigsaw Group (AUS) Limited
Statement of changes in equity
For the period ended 30 September 2020

	Retained surplus $	Total equity $
Balance at 7 January 2020	-	-
Surplus after income tax expense for the period	434,539	434,539
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	434,539	434,539
Balance at 30 September 2020	434,539	434,539

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

	Note	2020 $
Cash flows from operating activities		
Income received from donations, fundraising, grants and services (inclusive of GST)		4,096,234
Payments to suppliers and employees (inclusive of GST)		(3,397,463)
Interest received		2
Interest paid on leases		(28,277)
Interest paid on borrowings		(5,598)
Net cash from operating activities		664,898
Cash flows from investing activities		
Payments for property, plant and equipment		(149,958)
Net cash used in investing activities		(149,958)
Cash flows from financing activities		
Proceeds from borrowings		433,318
Repayment of borrowings		(5,308)
Repayment of lease liabilities		(133,714)
Net cash from financing activities		294,296
Net increase in cash and cash equivalents		809,236
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	5	809,236

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

Note 1. General information

The financial statements cover Jigsaw Group (AUS) Limited (the company) as an individual entity. The financial statements are presented in Australian dollars, which is Jigsaw Group (AUS) Limited's functional and presentation currency.

Jigsaw Group (AUS) Limited is a not-for-profit unlisted public company limited by guarantee incorporated on 29 March 2018. The company was registered with Australian Charities and Not-for-profits Commission as a charity on 9 August 2019. The company commenced operations on 7 January 2020.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 February 2021.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers
The company has adopted AASB 15 from 7 January 2020. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Financial statement impact of adoption of AASB 15:
Revenue from contracts with customers and contract liabilities have been disclosed separately.

AASB 16 Leases
The company has adopted AASB 16 from 7 January 2020. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments is separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Financial statement impact of adoption of AASB 16
The company has recognised right-of-use assets of $1,382,958 and lease liabilities of $1,382,958 at 7 January 2020 for the company's office leases.

Note 2. Significant accounting policies (continued)

AASB 1058 Income of Not-for-Profit Entities
The company has adopted AASB 1058 from 7 January 2020. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of this standard had no significant impact on the company's 30 September 2020 financial statements.

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 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition
The company recognises revenue as follows:

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

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

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Note 2. Significant accounting policies (continued)

Rendering of services
Fees charged for care or services provided to clients are recognised when the service is provided.

Grants
Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

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

Income from donations and grants generally that do not have sufficiently specific performance obligations are recognised at the fair value of the asset when such asset is received. The company considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

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

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

Income tax
As the company is a charity, it is exempt from paying income tax.

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.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 2. Significant accounting policies (continued)

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	Life of lease
Fixtures and fittings	4 - 20 years
Office equipment	2 - 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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.

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

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

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

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

Employee benefits

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

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 4. Expenses

	2020 $
Surplus before income tax includes the following specific expenses:	
Employee benefits expense	
Wages and salaries	2,703,094
Defined contribution superannuation expense	211,697
Other employee benefits	143,923
	3,058,714
Depreciation and amortisation	
Office premises - right-of-use	172,488
Property, plant and equipment	62,079
	234,567
Finance costs	
Interest and finance charges paid/payable on borrowings	5,598
Interest and finance charges paid/payable on lease liabilities	28,277
Finance costs expensed	33,875

Note 5. Cash and cash equivalents

	2020 $
Current assets	
Cash at bank	809,236

Note 6. Trade and other receivables

	2020 $
Current assets	
Trade receivables	123,778
Other receivables	202,500
Related party receivable - Fighting Chance Australia Ltd	209,686
	535,964

Note 7. Other

	2020 $
Current assets	
Prepayments	5,302
Security deposits	30,000
	35,302

Note 8. Property, plant and equipment

	2020 $
Non-current assets	
Leasehold improvements - at cost	27,510
Less: Accumulated depreciation	(3,093)
	24,417
Fixtures and fittings - at cost	76,507
Less: Accumulated depreciation	(19,404)
	57,103
Office equipment - at cost	346,197
Less: Accumulated depreciation	(172,316)
	173,881
	255,401

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Leasehold improvements $	Fixtures & fittings $	Office equipment $	Total $
Balance at 7 January 2020	-	-	-	-
Additions	27,510	24,858	97,590	149,958
Disposals	-	-	(41)	(41)
Transfers in/(out)	-	37,838	129,725	167,563
Depreciation expense	(3,093)	(5,593)	(53,393)	(62,079)
Balance at 30 September 2020	24,417	57,103	173,881	255,401

Note 9. Right-of-use assets

	2020 $
Non-current assets	
Office premises - right-of-use	1,620,898
Less: Accumulated depreciation	(172,488)
	1,448,410

The company leases land and buildings for its offices under agreements of between 5 to 7 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Office premises - right-of-use $	Total $
Balance at 7 January 2020	-	-
Additions	237,940	237,940
Transfer from parent entity - sublease	1,382,958	1,382,958
Depreciation expense	(172,488)	(172,488)
Balance at 30 September 2020	1,448,410	1,448,410

Note 10. Trade and other payables

	2020 $
Current liabilities	
Trade payables	32,022
Payroll accruals	102,101
Related party payable - Fighting Chance Australia Ltd	39,329
BAS payable	8,718
Other payables	8,934
	191,104
Non-current liabilities	
Related party payable - Fighting Chance Australia Ltd	68,007
	259,111

Note 11. Borrowings

	2020 $
Current liabilities	
Secured loan - equipment	10,905
Non-current liabilities	
Secured loan - equipment	17,105
Unsecured loan - Bryan Foundation	400,000
	417,105
	428,010

Total secured liabilities
The total secured liabilities are as follows:

	2020 $
Secured loan - equipment	28,010

Assets pledged as security
Equipment loan is secured by computer equipment with a written down value of $29,431 as at 30 September 2020.

Note 12. Lease liabilities

	2020 $
Current liabilities	
Lease liability - Office premises - Fighting Chance Australia Ltd	157,947
Lease liability - Office premises - Other	8,430
	166,377
Non-current liabilities	
Lease liability - Office premises - Fighting Chance Australia Ltd	1,117,051
Lease liability - Office premises - Other	231,807
	1,348,858
	1,515,235

Note 13. Employee benefits

	2020 $
Current liabilities	
Annual leave	178,456
Non-current liabilities	
Long service leave	23,137
	201,593

Note 14. Key management personnel disclosures

Compensation
The aggregate compensation made to key management personnel of the company is set out below:

	2020 $
Aggregate compensation	120,029

Note 15. Contingent liabilities

The company had no contingent liabilities as at 30 September 2020.

Note 16. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 14.

Transactions with related parties
The following transactions occurred with related parties:

	2020 $
Sale of services:	
Services rendered to Hireup Pty Ltd (director related entity) - Work carried out by Jigsaw Group's employees with a disability for Hireup. This arrangement was entered into to provide work experience opportunities for employees participating in the Jigsaw program	56,678
Payment for services:	
Licence fee paid to Fighting Chance Australia Ltd	290,164

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2020 $
Receivables from Fighting Chance Australia Ltd	102,350

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 17. 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 services offered, customers, supply chain, staffing and geographic regions in which the company operates. The Coronavirus (COVID-19) pandemic resulted in interruptions to the services provided by the company during the reporting period. The company sought and received JobKeeper support in accordance with the Coronavirus Economic Response Package (Payments and Benefits) Rules 2020. 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.

Note 18. Events after the reporting period

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

The directors of the Company declare that:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 September 2020 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors

Laura O'Reilly
Director

Stephen Cake
Chair

15 February 2021

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Jigsaw Group (AUS) Limited

ABN: 87 624 033 487

Independent Auditor's Report to the Members of Jigsaw Group (AUS) Limited

Opinion

We have audited the accompanying financial report of Jigsaw Group (AUS) Limited (the company), which comprises the statement of financial position as at 30 September 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) Giving true and fair view of the company's financial position as at 30 September 2020 and of its financial performance for the period then ended; and

(b) Complying with *Australian Accounting Standards – Reduced Disclosure Requirements*, and the Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

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

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

Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
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Dated this 16th day of February 2021