

2023 - 2024 ANNUAL REPORT

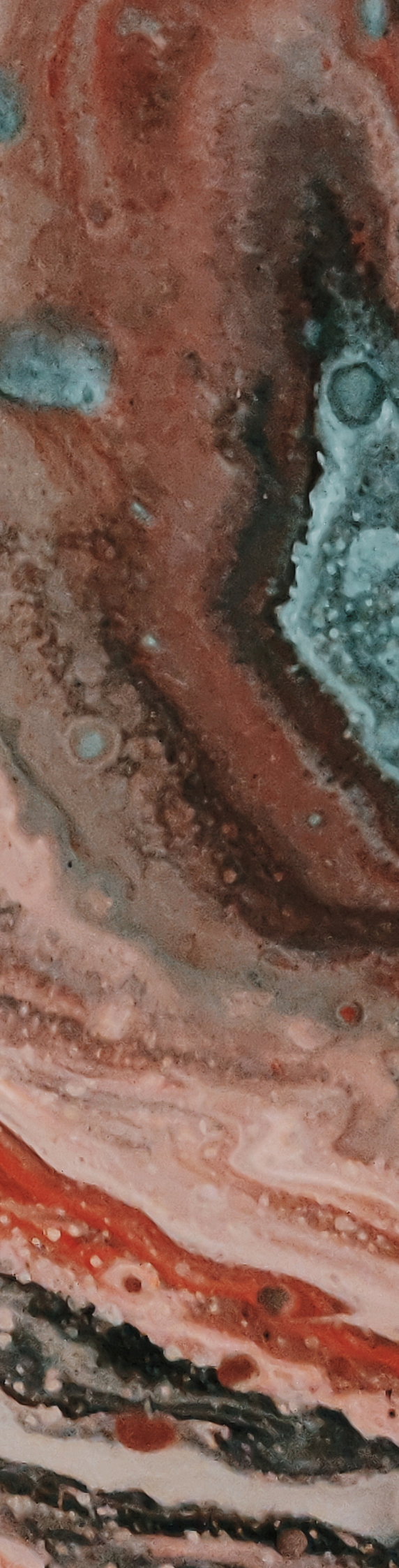


NOT FOR PROFIT SOCIAL ENTERPRISE

**REAL JOBS
REAL SKILLS
REAL PEOPLE**

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders, past, present and emerging.

ABOUT ABILITY ENTERPRISES

Ability Enterprises is a work integrated social enterprise (WISE) based in Toowoomba and working across the Darling Downs & Lockyer Valley in Queensland.

For over 12 years, Ability has provided full award wage work opportunities to marginalised people in regional Queensland. We work with a wide range of people who have struggled to gain or keep ongoing employment for a variety of reasons. We take a person centred approach to assisting our team to re-enter the workforce, gain skills and confidence, and transform their lives.

We do this by delivering commercial services in waste management, cleaning, commercial gardening, mattress recycling, car washing and our new clean waste processing stream.

We deliver services in partnership with local government and commercial organisations.

We are a not for profit and registered charity, and are Social Traders and People & Planet First certified.

We unlock the door to success through meaningful employment opportunities.

Thank you to all who support us.



**REAL JOBS
REAL SKILLS
REAL PEOPLE**

THEORY OF CHANGE

If we...

Meet our employees where they are, supporting and developing them to gain employment, and paying award wages, they will earn a stable income, engage with others in the workplace and if they wish, explore employment in the wider community.

By...

Effective intake, on the job training and individualised support for our staff.

And by...

Delivering our contracts to a high standard and growing our partner list.

We can...

Employ more people, help our employees demonstrate a wide range of transferable skills and become a trusted brand delivering great services.

So that...

People who faced barriers to employment have access to meaningful employment opportunities and we deliver services with professionalism, contributing to our local economy and transforming 100's of lives.

STRATEGIC PLAN

Our key pillars & goals



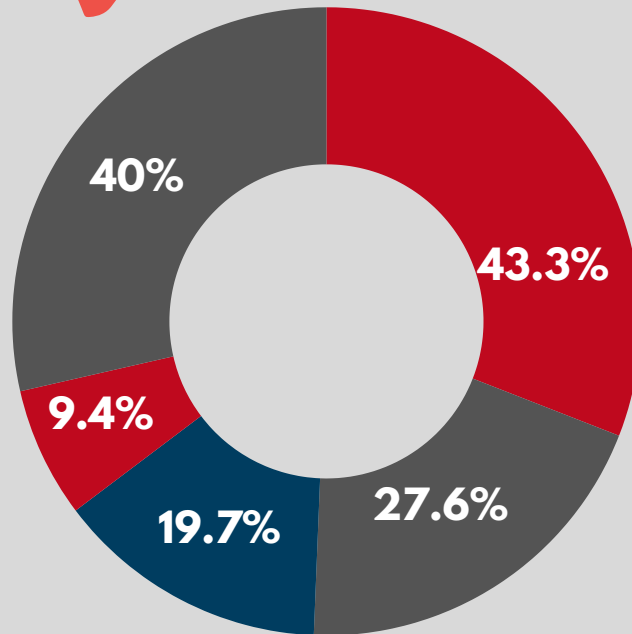
STRATEGIC PLAN

What's important to us



OUR IMPACT

OUR STAFF



40% Mature Age 45+
43.3% Identify as having a disability
27.6% Identify as LGBTQI
19.7% Identify as culturally diverse
9.4% Identify as indigenous

(Note: Chart adds to more than 100% due to intersectionality)



Worked with us.
With over 25 NEW
staff members
joining us!



1.85M

1.85 Million paid to staff
this year & over
10 Million now paid in
wages since Ability
Enterprises opened
our doors



FROM OUR CHAIR

Phil Gregory
Ability Enterprises
Board Chair

I'm sure most of us say this to ourselves every year. What happened to the past 12 months? It only seems like a few months ago that I wrote the previous annual Board Chair report. That said, our annual report is an important chance to take a moment and reflect on the past 12 months.

If I had to describe FY 2023/24 in a single word, that word would be "consolidation". It is no secret that the post covid years have been challenging. As a board, we are proud to say that over that period, our management team has been chipping away at the many challenges in a methodical and professional manner. Thus, ensuring not only Ability Enterprises survival, but also laying the platform for our growth. Over the past financial year our focus has moved onto consolidation and building for the future. I believe Claire and her management team have now set Ability Enterprises up for the next decade.

We continue to support our mission of providing meaningful employment opportunities for marginalised individuals, (whilst always paying award wages). Those opportunities have seen our varying services continue to grow and we have been humbled to receive fantastic feedback from our customers. We simply could not help the people we do, without our wonderful customers and partners including, Old State Development, Westpac, Qantas, St Vincents Private Hospital, Colliers, Qbuild, Newlands, Masterhire, Momentum Mental Health, Clifford Park Racing, The Public Trustee, Lockyer Valley Regional Council, and Toowoomba Regional Council. With the support of our partners, we continue to provide meaningful employment through mattress recycling, cleaning, car washing, garden maintenance, general maintenance, trash & treasure, and gate house services.

Whilst we are grateful for every single customer who helped support our mission, I would like to specifically acknowledge the Toowoomba Regional Council and Lockyer Valley Regional Council. With the support of both the councillors, and their respective council management teams, our long-term relationships provide real work opportunities for people who meet our mission.

As Ability Enterprises Chair, and as a rate payer, I truly believe that our relationship with council is a win for council, a win for our staff, and a win for ratepayers.

I would like to take the opportunity thank our entire board. My fellow board members offer their time and share their experience with us because we all believe in the Ability Enterprises mission. I value the contribution from every board member and appreciate healthy debate to ensure the best possible outcomes.

I touched on it earlier that our management team have been working extremely hard to consolidate and set Ability Enterprises up for the future. This would not be possible without the leadership of our CEO Claire Torkington. Claire has provided clear and transparent leadership for our management team and staff. Through Claire's leadership, our management team has grown professionally and are ready for the coming challenges.

As displayed in the audited accounts, Ability Enterprises remains in a robust financial position thanks to the leadership of Claire and her team, with oversight from the Board Risk and Governance (BRAG) Committee led by Danny Wiedman. With a strong balance sheet and a clear plan, we are well placed to meet the challenges ahead.



FROM OUR CEO

Claire Torkington
Ability Enterprises
CEO

2023/2024 has been my first full year as CEO at Ability Enterprises, and it has been both a challenging and very rewarding year. The whole management team has worked very hard to consolidate our position, win new business, and to continue to improve our business processes and systems.

Restructuring our finances, with assistance from Westpac, and the winning of some significant new business has allowed us to end the year in a strong position, with a positive outlook for the next financial year. I look forward to updating you on the new business streams in the near future.

Whilst Social Enterprise remains a challenging environment, some important recognition at both State and Federal levels means that the work being undertaken by the sector is starting to pay dividends as the news of positive employment outcomes via Work Integrated Social Enterprise's continues to be recognised. There are many in the sector working hard towards this, with SEFA, QSEC, Social Traders and Whitebox Enterprises leading the charge.

As always, we couldn't do what we do without our clients. They are a very special group of organisations – ones who recognise that it is possible to receive quality commercial services whilst supporting marginalised people in regional Australia, contributing not only to their wellbeing, but also the wellbeing of the wider community and indeed to the financial health of the local community. We are grateful for the people we partner with every day.

This year we have also been privileged to work with some exceptional organisations who support social enterprise both in direct funding and in capacity building. We continued to work with SEFA, and BDO for support in financial capacity building in our team.

Additional support has been provided to Ability Enterprises from the Qantas Regional Grants Program, the Westpac Foundation and Peak2Park. We remain forever grateful to each and every one of them.

We are very proud of the great video that Qantas made for us as part of the marketing contra they provided as part of our grant. It really showcased our staff, their courage and commitment to their work here at Ability Enterprises.

Like so many not-for-profit organisations, we are guided by an exceptional Board of Directors, all of whom donate their time because of a deep belief in the people that we serve. I would like to thank you all for your ongoing support during a challenging year and look forward to working with you all again during the 2024/2025 year as we continue to execute our new strategic plan.

There are too many people to thank individually for their support over the past 12 months, but I would again like to call out Kristen O'Brien of OB Media, for her ongoing work on our marketing, communication and social media. Kristen works very hard alongside the team to tell our stories – a critical part of the work we do.

Finally, to the team at Ability Enterprises – whether at our office at Tews Court or our employees out in the field delivering services in waste management, cleaning, gardening, mattress recycling, car cleaning and clean waste processing – thank you for your courage, your tenacity and your commitment – Ability Enterprises is what you all make it.

OUR PEOPLE

MANAGEMENT TEAM

Our experienced Management Team are committed to the success of Ability Enterprises. A cohesive group of professionals with a strong focus on innovation, team support and social good, guarantees our operations run smoothly and efficiently 365 days a year.



SHAN WANASINGHE
Head of Finance
& Governance



MICHAEL GREGORY
Head of Operations
& WHS



CHERYL McGRATH
Finance & HR Manager



CLAIRE TORKINGTON - CEO



JULENE CAPEWELL
TRC - Waste Operations
Supervisor



LAUREN COLES
LVRC - Waste Operations
Supervisor



EMILY MARINO
Operations Co-ordinator



LUCY ADAMS
Admin Assistant

**REAL JOBS
REAL SKILLS
REAL PEOPLE**

OUR BOARD

Ability Enterprises is fortunate to have an extremely generous volunteer Board of Directors that each bring with them skills and experience in an array of different areas. The collective diversity of our Board of Directors ensures strong governance across every facet of our enterprise. The Board of Directors hold great responsibility in the longevity and sustainability of Ability Enterprises, they achieve this through clear leadership, strategic planning and risk management. They also ensure that Ability Enterprises continues to operate within our mission and adheres to our values.



PHIL GREGORY

Board Chair - Member Finance & Risk Committee

Phil joined the Ability Enterprises Board in 2020. Phil is well known within the Toowoomba business community having previously served on the boards of the Toowoomba Chamber of Commerce and Southern Queensland Country Tourism.



DANIEL WIEDMAN

Director - Business Risk, Audit & Governance Committee Chair

Danny joined the Ability Enterprises Board in 2013. Danny has a well rounded approach to business, developed through his dedication across several varied industries, and administrative positions for local scouting and sporting groups and school boards over the past 40 years.



LAURA SCURR

Director

Laura joined the Ability Enterprises Board in 2023. An administration advisor who runs her own successful business, and a tireless advocate for those in our community experiencing disabilities, Laura has had a long association with Ability Enterprises.



JOY MINGAY

Vice Chair

Joy joined the Ability Enterprises Board in 2019. With an experienced background in business and recruitment, she has a deep understanding and respect for all aspects of small business operations. Joy maintains a strong commitment to community in her role as Director, not only at Ability Enterprises, but also on the Board of Lifeline Darling Downs.

OUR BOARD (CONTINUED)



GED BRENNAN
Director

Ged joined the Ability Enterprises Board in 2020. Ged brings a vast 30 years professional experience in State and Local Government consulting firms and is passionate to see the ongoing growth and development of community, sustainable resources and development pathways.



KATHRYN MCKEEFRY
Director

Kathryn is also a Board member of Private Hospitals Association Queensland (PHAQ), Toowoomba & Surat Basin Enterprise (TSBE), and is a valued member of four community groups. The Ability team are excited about the wealth of health industry knowledge and expertise Kathryn brings to our Social Enterprise.



GARY LOVE
Director

Gary was Director/ Manager GC Event Hire, a position he held for 28 years, working in the event industry in Toowoomba & SE Qld. A passionate believer in keeping business local, advancing, and supporting the local community, Gary is also a past VP of the Toowoomba Chamber of Commerce.

OUR PARTNERS

As a WISE (Work Integrated Social Enterprise) – what we do would not be possible without the valued partnerships with government and corporate organisations who support us by appointing us to deliver on commercial contracts. These contracts allow us to continue to advance employment opportunities for people who in the past may have faced barriers to full award wage employment.

Many of our employees have now worked across a range of services for our partners, including waste management, cleaning, gardening, mattress recycling and car washing. This allows them to grow and develop in the workforce. They obtain new skills, qualifications and confidence as they work.

Huge thanks to the following businesses, government bodies at all levels and membership groups which have worked with us in various ways during 2023/2024 – Toowoomba Regional Council Waste Management, Lockyer Valley Regional Council Waste Management, Department of State Development, Infrastructure, Local Government and Planning, Qantas Regional Grants, SEFA, The Westpac Foundation, BDO, QBuild, Carers Queensland, Momentum Mental Health, Masterhire, Newlands, Colliers, Uniting Care, The Public Trustee, Clifford Park Racecourse, Workforce Australia, Department of Regional Development Manufacturing and Water, The Goondiwindi Races, Peak2Park, TSBE, Social Traders, People and Planet First, The Toowoomba Chamber of Commerce and OB Media.

Thanks also to the Toowoomba Social Enterprise Network, a group of varied Social Enterprises working together to exchange ideas and develop partnerships that will see greater employment opportunities in our sector going forward – the group includes Vanguard Laundry, Base Services, 2nd Shot, The Karma Collective, Concinnity, Adapt Mentorship, Catering People, The Inclusive Counselling Collective, Yellowbridge and more. Working together, we have an extremely strong Social Enterprise ecosystem in Toowoomba and the Darling Downs.

OUR DELIVERY TEAMS

This year our employees delivered services across waste management, cleaning, gardening, mattress recycling, car washing and we saw the continuation of our very exciting clean waste repurposing work. We hope to expand our work in all these areas in 2024/2025.

Of course, none of our services could be delivered without our employees. We are so proud of the job they do, and the challenges they overcome daily. For some of our staff, this is their first chance for stable, full award wage work. For others, it's the first time they have felt comfortable in a workplace, knowing they will be valued for who they are. One of the highlights was the video that Qantas produced for us as part of their grant.

If you haven't seen it yet, here is a link – have the tissues handy.

[CLICK HERE](#) 



 **QANTAS** | REGIONAL GRANTS

2023 Qantas Regional Grant

RECIPIENT



FROM OUR BUSINESS, RISK AND GOVERNANCE COMMITTEE CHAIR

Danny Wiedman
Ability Enterprises
Chair

Business Risk, Audit & Governance Committee

I am pleased to present the Business Risk Audit and Governance (BRAG) Committee Chair Report for 2023/24.

Ability Enterprises continues to grow using a solid business foundation incorporating financial, governance and strategic management. This foundation has provided Ability Enterprises with a solid financial base to continue growing the business.

Our contracts in waste management, site management, mattress recycling, plus trash & treasure with the Toowoomba Regional Council and now the Lockyer Valley Regional Council (LVRC), continues to be the mainstay of our business. Our new contract with the LVRC provides us with additional financial stability, always a challenge for Social Enterprise. Many thanks to the TRC and LVRC for the opportunities to provide meaningful employment for our staff.

The commercial cleaning section of our business has seen an increase this year with existing contracts expanded and new contracts secured. It is envisioned this part of the business will continue to grow into the next financial year.

Our clean waste processing project has been slowly but steadily progressing throughout this year and is now in the final testing stages, ready to provide another area to our business. This will provide more employment opportunities in line with our mission. I would like to thank Claire and the management team for their hard work in securing grants and financial support from Qantas, Westpac and Queensland State Development. These grants have enabled us to purchase the processing equipment, plus installation and fitout costs.

Our financial position is solid, with an increase in both net profit and net assets for this financial year. Total income of \$3.97million. Grants, Donations & Other Income \$1.31 million. After refurbishment of our offices at Tews Crt the value of the property has increased, improving our healthy balance sheet.

Key Financial Figures 23/24

Profit & Loss – Net Profit \$1,109,000

Balance Sheet – Net Assets \$3,459,865

A big thanks to our financial management team for all their hard work to ensure the recent audit was completed in a timely manner with minimal issues.

Our BRAG committee continues to meet on a monthly basis to review all the facets of the business under their charter and report back to the board. The BRAG continues to assess and consider any new business opportunities balancing our corporate responsibilities of Risk v Growth.

I would like to thank members of the committee as well as Claire, Molly (previously), Shan and Michael for their contribution to our meetings as well as providing excellent financial and risk reports for review and discussion.

ABN 65 152 244 838

Financial Statements
For the year ended 30 June 2024

2023 / 2024
AUDITED FINANCIALS

Ability Enterprises Limited



Ability Enterprises Limited

ABN 65 152 244 838

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Ability Enterprises Limited

ABN 65 152 244 838

Directors Report

30 June 2024

The directors present their report, together with the financial statements, on the company limited by guarantee for the year ended 30 June 2024.

Directors

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

- Daniel Wieldman
- Joy Mingay
- Gerard Brennan
- Phillip Gregory
- Erin Kehoe-O Shea (resigned 13/12/2023)
- Gary Love
- Laura Scurr
- Kathryn McKeefry (appointed 21/2/2024)

Operating Result

The surplus of the company for the financial year ended 30 June 2024 was \$1,109,317 (2023 restated surplus \$321,329).

Principal Activities

The principle activity of Ability Enterprises Ltd during the financial year was to provide contracted services to Toowoomba Regional Council, QBuild, Newlands Group and other commercial organisations.

Short Term Objectives

The Company's short-term objectives are to:

- Provide meaningful, secure, employment opportunities to marginalised people through the management of commercial contracts;
- Develop and implement a new plastics processing business;
- Develop new business models which are sustainable and scalable, and;
- Continue to compete in the commercial arena, delivering a quality service to a high standard.

Long Term Objectives

The Company's long-term objectives in line with our 5-year strategic plan are to:

- Identify and grow suitable, commercially viable and sustainable business opportunities which will allow Ability Enterprises to increase our existing workforce offering employment to those who identify with our mission: and,
- Increase our geographic footprint across the Darling Downs area.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Purchase and deployment of new equipment in partnership with government;
- Improvement of premises to meet the new business needs;
- Capitalise on our strong reputation and present a clear and consistent message to our partners about who we are and what we do;
- Work collaboratively to increase community understanding and awareness, and to continue to advance employment opportunities for marginalised people facing barriers to employment; and
- Investigate business opportunities in identified industries projected for future growth.

Ability Enterprises Limited

ABN 65 152 244 838

Directors Report

30 June 2024

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Preparing the premises and installing the machinery to operate the new plastics business; and
- Actively seeking opportunities to value add to partnerships and business opportunities through innovative business practices.

Members' guarantee

Ability Enterprises Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members, subject to the provisions of the company's constitution. At 30 June 2024 the collective liability of members was \$70 (2023: \$100).

Indemnifying Office or Auditor

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.

Auditors Independence

The auditors independence declaration is set out on the page immediately following and forms part of the directors report for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors:



Director

Date
11.11.24

Ability Enterprises Limited

ABN 65 152 244 838

Auditors Independence Declaration

30 June 2024

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Ability Enterprises Limited
ABN 65 152 244 838

Statement of Profit or Loss and Other Comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$	Restated 2023 \$
Revenue	2	2,660,984	2,873,902
Other income	2	1,313,710	417,666
Employee benefits expense	3	(2,437,246)	(2,520,052)
Depreciation expense		(156,601)	(63,469)
Finance costs		(43,743)	(13,299)
Other operating expenses		(450,481)	(373,419)
Surplus before income tax expenses		886,623	321,329
Income tax expense		-	-
Surplus after income tax expense		886,623	321,329
Other comprehensive income		222,694	-
Total comprehensive income		1,109,317	321,329

The accompanying notes form part of these financial statements.

Ability Enterprises Limited

ABN 65 152 244 838

Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	Restated 2023 \$
Current Assets			
Cash and cash equivalents	4	531,465	234,494
Trade and other receivables	5	232,745	140,801
Other assets	6	11,193	18,006
<i>Total current assets</i>		775,403	<u>393,301</u>
Non-Current Assets			
Property, plant and equipment	7	3,482,547	<u>2,691,540</u>
<i>Total non-current assets</i>		3,482,547	2,691,540
<i>Total Assets</i>		4,257,950	3,084,841
Current Liabilities			
Trade and other payables	8	91,474	54,476
Borrowings	9	605,202	573,157
Provisions	10	87,517	<u>85,514</u>
<i>Total current liabilities</i>		784,193	713,147
Non-Current Liabilities			
Provisions	10	13,892	<u>21,146</u>
<i>Total non-current liabilities</i>		13,892	21,146
<i>Total liabilities</i>		798,085	734,293
Net assets		3,459,865	2,350,548
Equity			
Asset revaluation reserve		222,694	-
Retained surplus		3,237,171	<u>2,350,548</u>
Total equity		3,459,865	2,350,548

The accompanying notes form part of these financial statements.

Ability Enterprises Limited
ABN 65 152 244 838

Statement of Changes in Equity
For the Year Ended 30 June 2024

	Asset Revaluation Reserve \$	Retained Surplus \$	Total \$
Balance as at 1 July 2022	-	2,029,219	2,029,219
Surplus after income tax expense for the year	-	321,329	321,329
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	2,350,548	2,350,548
Balance as at 30 June 2023	-	2,350,548	2,350,548
Balance as at 1 July 2023	-	2,350,548	2,350,548
Surplus after income tax expense for the year	-	886,623	886,623
Other comprehensive income for the year, net of tax	222,694	-	222,694
Total comprehensive income for the period	222,694	886,623	1,109,317
Balance as at 30 June 2024	222,694	3,237,171	3,459,865

The accompanying notes form part of these financial statements.

Ability Enterprises Limited

ABN 65 152 244 838

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 \$	Restated 2023 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		3,884,131	3,415,294
Payments to suppliers		(2,855,980)	(2,922,735)
Interest received		5,432	907
Finance costs		(43,743)	(13,299)
Net cash provided by/ (used in) operating activities	11	989,841	480,167
<i>Cash flows from investing activities</i>			
Purchase of property, plant and equipment		(767,241)	(1,221,998)
Net cash provided by/ (used in) investing activities		(767,241)	(1,221,998)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings		118,724	459,504
Repayment of borrowings		(44,353)	(78,606)
Net cash provided by/ (used in) financing activities		74,372	380,898
Net increase/ (decrease) in cash and cash equivalents		296,970	(360,933)
Cash and cash equivalents at the beginning of the financial year		234,494	595,427
Cash and cash equivalents at the end of the financial year	4	531,465	234,494

The accompanying notes form part of these financial statements.

Ability Enterprises Limited

ABN 65 152 244 838

Notes to the Financial Statements**For the Year Ended 30 June 2024 Note 1: Significant Accounting Policies**

These financial statements cover Ability Enterprises Limited as an individual entity. The financial statements are presented in Australian dollars, which is Ability Enterprises Ltd functional and presentation currency. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for profits Commission Act 2012. The entity is a not for profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements have been authorised for issued on the date of the directors declaration.

Historical cost convention

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

Current/ 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) Revenue*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: 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.

Ability Enterprises Limited

ABN 65 152 244 838

Notes to the Financial Statements

For the Year Ended 30 June 2024 **Note 1: Significant Accounting Policies (continued)**

a) Revenue (continued)

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.

All revenue is stated net of the amount of goods and services tax (GST). *Rendering of Services*

Recognition of revenue in relation to rendering of services 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.

b) Property, Plant and Equipment

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

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

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of Asset	Method	Rate
Buildings	Straight line	2.5%
Plant and Equipment	Diminishing value	20% to 37.50%
Motor Vehicles	Diminishing value	22.50% to 25 %

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Ability Enterprises Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024 **Note 1: Significant Accounting Policies (continued)**

b) Property, Plant and Equipment (continued)

Revaluations of property

Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised in the Statement of Profit or Loss and Other Comprehensive Income, in which case the increment is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Any revaluation decrement is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it offsets a previous revaluation increment for the same asset class, in which case the decrement is taken directly to the asset revaluation reserve to the extent of the existing balance in the revaluation reserve for that class of asset.

c) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the financial 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).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- o Amortised cost
- o Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised Cost

Assets measured at amortised cost are financial assets where:

- o the business model is to hold assets to collect contractual cash flows; and,
- o the contractual terms give rise on specified dates to cash flows are solely payments principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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Notes to the Financial Statements

For the Year Ended 30 June 2024 **Note 1: Significant Accounting Policies (continued)**

c) Financial Instruments (continued)

Impairment of Financial Assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- o financial assets measured at amortised cost; and
- o contract assets.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The financial liabilities of the Company comprise of trade and other payables, and bank loans.

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Notes to the Financial Statements

For the Year Ended 30 June 2024 **Note 1: Significant Accounting Policies (continued)**

d) Impairment of Assets

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

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

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

e) Employee Benefits

Short-term employee benefits

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

Other long-term employee benefits (continued)

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity 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 liabilities.

Ability Enterprises Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024 **Note 1: Significant Accounting Policies (continued)**

e) Employee Benefits (continued)

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (as at 30 June 2024 11% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g) Trade and Other Receivables

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold.

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.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

h) Goods and Services Tax (GST)

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

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

j) Provisions

Provisions are recognised when the entity 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 reporting period.

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Notes to the Financial StatementsFor the Year Ended 30 June 2024 **Note 1: Significant Accounting Policies (continued)****k) Comparative Figures**

The comparative figures represent the prior year audited accounts, with the exception of an adjustment to the property, plant and equipment balance which arose to due managements review of expenses incurred in 2023.

During this review management found items that had previously been expensed however met the Company's accounting policy for capitalisation. As a result of this review and reclassification, the following adjustments were made to the line items for the year ended 30 June 2023.

Financial Statement Line Item/ Balance Affected	Audited 2023 \$	Correction \$	Restated Actual 2023 \$
Statement of Profit or Loss and Other Comprehensive Income (extract)			
Expenses			
Depreciation	66,729	(3,260)	63,469
Other Operating Expenses	432,888	(59,469)	373,419
Surplus/ (deficit) before income tax	258,600	62,729	321,329
Total comprehensive income/ (loss) for the year	258,600	62,729	321,329
 Statement of Financial Position (extract)			
Assets			
Non-current assets			
Property, plant and equipment	2,628,811	62,729	2,691,540
	3,022,112	62,729	3,084,841
Total assets	2,287,819	62,729	2,350,548
Retained Earnings	2,287,819	62,729	2,350,548
Total equity			

l) Critical Accounting Estimates and Judgements

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

Useful lives of property, plant, and equipment

As described in Note 1 (b), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Valuation of Land and Buildings

The land & building are held at market valuation. The market valuation is conducted by qualified external valuers based on recent observed data from similar properties. The directors review the valuations obtained to ensure reasonable prior to recognition in the financial statements.

Ability Enterprises Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024

Note 1: Significant Accounting Policies (continued)

l) Critical Accounting Estimates and Judgements (continued)

Key Judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/ value, quantity, and the period of transfer related to the goods or services promised.

(ii) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

m) Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable, and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statement.

Notes to the Financial Statements

For the Year Ended 30 June 2024

Note 2. Revenue	2024	2023
	\$	\$
Contract Revenue	2,660,984	2,873,902
Other Income		
Grant Revenue	1,269,910	137,170
Donations	4,545	250,000
Other Sundry Income	39,255	30,496
	1,313,710	<u>417,666</u>
Total Revenue	3,974,694	3,291,567
Note 3. Employee Benefits Expense		
Wages and Salaries	2,206,951	2,278,441
Workers Compensation	5,651	271
Staff Training	-	3,908
Superannuation Contributions	224,645	237,433
Total Employee Expenses	2,437,246	<u>2,520,052</u>
Note 4. Cash and Cash Equivalents		
Cash at Bank	531,465	234,494
	531,465	<u>234,494</u>
Note 5. Trade and Other Receivables		
Trade Receivables	160,842	104,494
Security Deposit	40,000	36,307
Accrued Income	31,903	-
Total Trade and Other receivables	232,745	<u>140,801</u>
Note 6. Other Assets		
Prepayments	11,193	17,940
Prepaid Borrowing Costs	-	66
	11,193	<u>18,006</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2024

		Restated
Note 7: Property, Plant and Equipment	2024	2023
<i>Property, plant and equipment</i>	\$	\$
Property (at market value)	2,322,269	1,815,707
Accumulated Depreciation	(22,269)	(4,712)
	2,300,000	<u>1,810,996</u>
Plant and Equipment (at cost)	1,206,125	806,968
Accumulated Depreciation	(122,465)	(67,393)
	1,083,660	<u>739,575</u>
Motor Vehicles (at cost)	225,240	257,392
Accumulated Depreciation	(126,353)	(116,422)
	98,887	<u>140,969</u>
Net Property, Plant and Equipment	a	<u>2,691,540</u>
		<u>3,482,547</u>

a) Reconciliation of Property, plant and equipment

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Written Down Balance at 1 July 2023	1,810,996	739,575	140,969	2,691,540
Revaluation	222,694	-	-	222,694
Additions	283,869	446,771	36,600	767,241
Disposals	-	(21,609)	(48,689)	(70,298)
Depreciation	(17,558)	(81,077)	(29,994)	(128,629)
Balance at 30 June 2024	2,300,001	1,083,660	98,886	3,482,547

Note 8. Trade and Other Payables	2024	2023
	\$	\$
Trade Payables	11,361	6,544
GST Payable	8,414	8,433
Accrued Expenses	34,218	-
Payroll Liabilities	37,481	39,499
	91,474	<u>54,476</u>

Notes to the Financial Statements

For the Year Ended 30 June 2024

Note 9. Borrowings	2024	2023
	\$	\$
<i>Current</i>		
Westpac Equipment Finance Loans	-	3,769
Heritage Loan - 1 Tews Court	605,202	569,388
	605,202	<u>573,157</u>

On 3 August 2024 the 1 Tews Court loan was refinanced with Westpac. The loan is due for repayment within 3 years.

Note 10. Provisions

<i>Current</i>		
Provision for annual leave	77,558	65,428
Provision for long service leave	9,959	20,086
	87,517	<u>85,514</u>
<i>Non-current</i>		
Provision for long service leave	13,892	21,146
	13,892	<u>21,146</u>
Total Provisions	<u>101,409</u>	<u>106,660</u>

Note 11. Cash Flow Information	2024	Restated 2023
	\$	\$
Reconciliation of surplus after income tax to net cash from operating activities		
Surplus after income tax	886,623	321,329
Non-cash flows in profit:		
- depreciation	156,601	63,469
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(91,942)	99,783
- (increase)/decrease in other assets	6,813	24,851
- (decrease) in trade and other creditors	36,998	(12,754)
- (decrease) in annual leave provisions	(5,250)	(16,511)
Net cash provided by operating activities	989,841	<u>480,167</u>

Note 12. Remuneration of Auditors

Audit of the financial statements:		
JG Audit & Assurance	9,900	9,900

Ability Enterprises Limited

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Notes to the Financial StatementsFor the Year Ended 30 June 2024

Note 13. Key Management Personnel Compensation

	2024 \$	2023 \$
Compensation received by executives of the company:		
- Short term employee benefits	550,226	436,130

Note 14. Related Party Transactions*Key management personnel*

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

Related parties of key management personnel were employed by Ability Enterprise Limited during the 2024 financial year, and received \$162,849 remuneration collectively.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current or previous reporting date.

Note 15. Contingent Liabilities

The company had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 16. Commitments

Capital commitments committed at the reporting date but not recognised as liabilities:

	2024 \$	2023 \$
Property, Plant and Equipment	-	167,720

The company had no commitments for expenditure as at 30 June 2024.

Note 17. Events After the Reporting Period*Lockyer Valley Regional Council Contract*

On 28 August 2024 a five year contract was signed with Lockyer Valley Regional Council for the provision of waste management services, commencing 1 September 2024.

No other matters or circumstances have arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 18. Principal Place of Business

Principal place of business and registered office is:

Ability Enterprises Limited

1 Tews Court

Wilsonton QLD 4350

Ability Enterprises Limited

ABN 65 152 244 838

**Directors' Declaration
For the Year Ended 30 June 2024**

In the opinion of the Director's:

- a) The company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached general purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profit Commission Act 2012 and associated regulations to prepare and distribute financial statements to the members of Ability Enterprises Limited;
- b) The attached financial statements and notes comply with the accounting standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;
- c) The financial statements and notes present a true and fair view the company's financial position at 30 June 2024 and of its performance for the financial year ended; and
- d) 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 the directors.

On behalf of the directors



Phillip Gregory
Director

Dated
11.11.24



Danny Wiedman
Director

Dated
11.11.24

Ability Enterprises Limited
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Independent auditor's report

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