

Sonder Care Limited

ABN 12 061 979 048

Financial Statements - 30 June 2023

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Directors

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

Dr Rizwan LATIF	Director/ Chairman
Qualifications	MBBS, FRACGP
Experience	Board Appointed: 14 December 2009
Special Responsibilities	Chairman of the Board; Risk & Finance Committee Member
Dr Richard HEAH	Director
Qualifications	MBBS, Dip RANZCOG, ACCAM, FRACGP
Experience	Board Appointed: 19 November 2004
Special Responsibilities	Nil
Dr Seema JAIN	Director
Qualifications	FRACGP
Experience	Resigned: 2 September 2022
Special Responsibilities	Nil
Dr Sudheer TALARI	Director
Qualifications	MBBS
Experience	Resigned: 29 August 2023
Special Responsibilities	Nil
Daniel J HAYDON	Director
Qualifications	Masters of Health Services Management
Experience	Board Appointed: 10 February 2014
Special Responsibilities	Governance & Nominations Committee Chair
John MANNING	Director
Qualifications	Bachelor of Commerce
Experience	Board Appointed: 3 August 2015
Special Responsibilities	Risk & Finance Committee Chair
Dr Kali HAYWARD	Director
Qualifications	MBBS, FRACGP
Experience	Board Appointed: 11 June 2019
Special Responsibilities	Governance & Nominations Committee Member
Prof Tracey Wade	Director
Qualifications	PhD in Psychology
Experience	Board Appointed: 1 July 2021
Special Responsibilities	Risk & Finance Committee Member
Clare Sian Goodson	Director
Qualifications	BMBS, MRCP, DRCOG, DFFP, MRCGP, FRACGP, Certificate in Post Graduate Medical Education
Experience	Board Appointed: 5 November 2023
Special Responsibilities	Governance & Nominations Committee Member

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

Directors' meetings

During the year eleven (11) Directors' meetings were held. An account of attendance is as follows:

	Directors' Meetings Attended	AGM	Risk & Finance Committee
Dr Rizwan LATIF	11	1	5
Dr Richard HEAH	9	1	-
Dr Seema JAIN	1	1	-
Dr Sudheer TALARI	5	1	-
Daniel J HAYDON	10	1	5
John MANNING	10	1	5
Dr Kali HAYWARD	10	1	-
Prof Tracey Wade	8	1	4
Dr Sian Goodson	7	-	-

Operating Result

The total surplus/(deficit) from operations of the company for the financial year amounted to:

Year ended	Year ended
30 June 2023	30 June 2022
(\$5,721,248)	\$526,667

Significant Changes in the State of Affairs

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

Principal Activities

Sonder delivers high quality, evidence-based clinical psychological therapy services that are relevant to the complex needs of the local community. We deliver a range of mental health services across the age and diagnostic criteria. We also deliver innovative programs enabling improved access to early intervention health and wellness services both in metro and regional areas.

In FY2022/2023, Sonder delivered programs across metropolitan Adelaide and Country SA with nine main offices located in Edinburgh North, Port Adelaide, Christies Beach, Klemzig, Marion, Adelaide, Nuriootpa, Willaston and Kadina. Sonder delivered on behalf of the Primary Health Networks clinical services across the age span and complexity of mental health concerns. In addition, Sonder delivered a range of integrated community health services, including health projects and Aboriginal health programs both in the Metro and Country regions and the Commonwealth funded employment services for Refugees and Migrants and in-home withdrawal services. Sonder is also the lead agency for headspace Edinburgh North, headspace Onkaparinga, headspace Marion and headspace Adelaide Centres as well as the headspace Early Psychosis program. Sonder also delivered homelessness program in the Adelaide Metro South as a member of the Toward Home Alliance. During the FY, Sonder delivered fee for service psychological therapies through Solasta and disability services through NDIS Plus.

After Balance Date Events

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

Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related body corporate.

Indemnifying Officer or Auditor

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

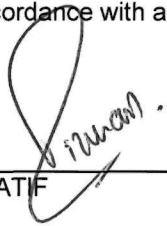
Proceedings on Behalf of Company

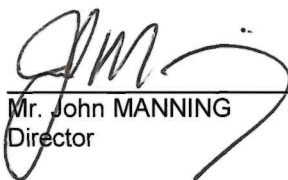
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 has been included.

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



Dr. Rizwan LATIF
Chairman

Mr. John MANNING
Director

3 October 2023

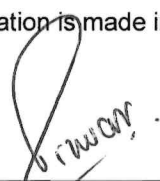
Directors' declaration
30 June 2023

The directors of the company declare that:

- the attached financial statements and notes comply with the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012, and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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



Dr. Rizwan LATIF
Chairman

Mr. John MANNING
Director

3 October 2023

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Revenue and Other Income	2	35,022,580	35,417,957
Expenses			
Employee Benefits Expense		(28,023,423)	(27,669,433)
Program Delivery Expenses		(3,937,375)	(2,675,888)
ICT Expenses		(850,559)	(644,182)
Occupancy Expenses		(3,020,111)	(2,475,426)
Other Expenses		(1,759,353)	(660,456)
Unexpended Grants		<u>(3,153,007)</u>	<u>(765,905)</u>
Total Surplus/(Deficit) from Operations for the year		(5,721,248)	526,667
Other Comprehensive Income			
Unrealised Gain (Loss) from Investments		798,494	(684,660)
Revaluation Reserve		(90,395)	(111,086)
Retrospective adjustments upon change in accounting policy	16	<u>-</u>	<u>981,436</u>
Other Comprehensive Income for the year		<u>708,099</u>	<u>185,690</u>
Total Comprehensive Income for the year		<u>(5,013,149)</u>	<u>712,357</u>

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

Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current Assets			
Cash Assets	3	1,236,996	4,236,102
Receivables	4	581,340	931,091
Other Financial Assets	13	5,556,105	4,715,044
Other Assets	5	134,621	208,387
Total Current Assets		<u>7,509,062</u>	<u>10,090,624</u>
Non-Current Assets			
Property, Plant and Equipment	6	3,205,985	3,074,636
Right-of-use assets	7	<u>5,011,007</u>	<u>4,761,891</u>
Total Non-Current assets		<u>8,216,992</u>	<u>7,836,527</u>
Total Assets		<u>15,726,054</u>	<u>17,927,151</u>
Liabilities			
Current Liabilities			
Trade & Accounts Payable	8	1,011,612	846,847
Lease Liabilities	9	1,528,218	1,188,282
Tax Liabilities	10	714,101	1,022,447
Provisions	11	2,042,924	2,242,223
Other Liabilities	12	<u>3,407,384</u>	<u>1,078,238</u>
Total Current Liabilities		<u>8,704,239</u>	<u>6,378,037</u>
Non-Current Liabilities			
Lease Liabilities	9	4,594,752	4,054,874
Provisions	11	<u>147,345</u>	<u>201,373</u>
Total Non-Current Liabilities		<u>4,742,097</u>	<u>4,256,247</u>
Total Liabilities		<u>13,446,336</u>	<u>10,634,284</u>
Net Assets		<u>2,279,718</u>	<u>7,292,867</u>
Equity			
Other Reserves		1,331,364	623,265
Retained Earnings		<u>948,354</u>	<u>6,669,602</u>
Total equity		<u>2,279,718</u>	<u>7,292,867</u>

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

Statement of changes in equity
For the year ended 30 June 2023

	Other Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2021	1,419,012	5,161,499	6,580,511
Total Surplus from Operations for the year	-	526,667	526,667
Other Comprehensive Income for the year	<u>(795,747)</u>	<u>981,436</u>	<u>185,689</u>
Total Comprehensive Income for the year	<u>(795,747)</u>	<u>1,508,103</u>	<u>712,356</u>
Balance at 30 June 2022	<u>623,265</u>	<u>6,669,602</u>	<u>7,292,867</u>
	Other Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2022	623,265	6,669,602	7,292,867
Total Deficit from Operations for the year	-	(5,721,248)	(5,721,248)
Other Comprehensive Income for the year	<u>708,099</u>	<u>-</u>	<u>708,099</u>
Total Comprehensive Income for the year	<u>708,099</u>	<u>(5,721,248)</u>	<u>(5,013,149)</u>
Balance at 30 June 2023	<u>1,331,364</u>	<u>948,354</u>	<u>2,279,718</u>

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

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from Customers		40,301,994	34,775,878
Payments to Suppliers and Employees		(40,797,750)	(36,611,592)
Interest received		49,348	5,120
Interest & Other Costs of Finance		(287,075)	(257,650)
Dividends Received		100,178	62,281
Net cash provided by/used in operating activities	19	<u>(633,305)</u>	<u>(2,025,963)</u>
Net cash used in operating activities	19	<u>(633,305)</u>	<u>(2,025,963)</u>
Cash Flows from Investing Activities			
Payments for Investment Portfolio		(42,567)	(11,561)
Payments for property, plant and equipment	6	<u>(670,448)</u>	<u>(826,007)</u>
Net cash used in investing activities		<u>(713,015)</u>	<u>(837,568)</u>
Cash Flows from Financing Activities			
Repayment of lease liabilities		<u>(1,652,786)</u>	<u>(20,136)</u>
Net cash used in financing activities		<u>(1,652,786)</u>	<u>(20,136)</u>
Net decrease in cash and cash equivalents		(2,999,106)	(2,883,667)
Cash and cash equivalents at the beginning of the financial year		<u>4,236,102</u>	<u>7,119,769</u>
Cash and cash equivalents at the end of the financial year	3	<u>1,236,996</u>	<u>4,236,102</u>

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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

The Company is exempt in accordance with the terms of subsection 50-10 of the Income Tax Assessment Act 1997 as amended.

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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.

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to Adelaide Northern Division of General Practice Ltd commencing from the time the asset is held ready for use.

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

Class of Assets	Depreciation Rate
Computer Equipment	25%
Office Equipment	25%

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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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 year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods 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.

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.

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going Concern & Economic Dependency

The Company incurred a deficit of \$5,721,248 and negative operating cash flows of \$633,305 for the year ended 30 June 2023. Its current liabilities exceed its current assets by \$1,195,177, however without lease liabilities, current assets exceed current liabilities by \$333,041 as at 30 June 2023.

The Company receives significant funding from Government grants.

The extent to which the Company will be able to continue to operate at current levels is dependent on the continuation of appropriate levels of Government funding and the achievement of operating surpluses with positive operating cash flows.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Revenue and Other Income

	2023 \$	2022 \$
Grant Funding Income	32,212,595	33,409,222
Fee for Services Income	1,870,615	1,206,368
Interest Income	49,348	5,119
Other Income	890,022	797,248
	<u>35,022,580</u>	<u>35,417,957</u>

	2023 \$	2022 \$
<i>Current assets</i>		
Cash at Bank	9,126	8,183
CBA Term Deposit Bank Guarantee	100,000	100,000
NAB Cheque	549,649	27,327
NAB Savings	176,619	438,865
NAB Staff Liability a/c	117,554	351,182
NAB Term Deposits	279,921	3,307,270
Petty Cash	4,127	3,275
	<u>1,236,996</u>	<u>4,236,102</u>

Reconciliation of Cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash	<u>1,236,996</u>	<u>4,236,102</u>
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Note 4. Receivables

	2023 \$	2022 \$
<i>Current assets</i>		
Trade debtors	409,123	893,502
Other Receivables	<u>172,217</u>	<u>37,589</u>
	<u>581,340</u>	<u>931,091</u>

Note 5. Other Current Assets

	2023 \$	2022 \$
<i>Current assets</i>		
Prepayments	134,421	208,187
Other Assets	<u>200</u>	<u>200</u>
	<u>134,621</u>	<u>208,387</u>

Sonder Care Limited
Notes to the financial statements
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Note 6. Property, Plant and Equipment

	2023 \$	2022 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	3,137,354	2,784,221
Less: Impairment	<u>(1,011,408)</u>	<u>(651,276)</u>
	<u>2,125,946</u>	<u>2,132,945</u>
Computer equipment - at cost	1,201,624	786,378
Less: Accumulated depreciation	<u>(451,570)</u>	<u>(228,364)</u>
	<u>750,054</u>	<u>558,014</u>
Office equipment - at cost	566,235	560,413
Less: Accumulated depreciation	<u>(236,250)</u>	<u>(176,736)</u>
	<u>329,985</u>	<u>383,677</u>
	<u><u>3,205,985</u></u>	<u><u>3,074,636</u></u>

Reconciliations

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

	Leasehold Improvements \$	Computer Equipment \$	Office Equipment \$	Total \$
Balance at 1 July 2021	1,987,161	441,197	355,126	2,783,484
Additions	509,883	203,822	112,302	826,007
Amortisation/Depreciation expense	<u>(364,099)</u>	<u>(87,005)</u>	<u>(83,751)</u>	<u>(534,855)</u>
Balance at 30 June 2022	2,132,945	558,014	383,677	3,074,636
Additions	353,133	415,246	5,822	774,201
Amortisation/Depreciation expense	<u>(360,132)</u>	<u>(223,206)</u>	<u>(59,514)</u>	<u>(642,852)</u>
Balance at 30 June 2023	<u><u>2,125,946</u></u>	<u><u>750,054</u></u>	<u><u>329,985</u></u>	<u><u>3,205,985</u></u>

Note 7. Right-of-use assets

	2023 \$	2022 \$
<i>Non-current assets</i>		
Right-of-Use Assets	10,434,861	8,436,020
Less: Accumulated depreciation	<u>(5,423,854)</u>	<u>(3,674,129)</u>
	<u><u>5,011,007</u></u>	<u><u>4,761,891</u></u>

Sonder Care Limited
Notes to the financial statements
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Note 8. Payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade creditors	234,545	458,203
Other creditors	776,903	388,659
Credit cards	164	(15)
	<u>1,011,612</u>	<u>846,847</u>

Note 9. Lease Liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>1,528,218</u>	<u>1,188,282</u>
<i>Non-current liabilities</i>		
Lease liability	<u>4,594,752</u>	<u>4,054,874</u>

Note 10. Tax Liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
GST clearing	546,757	621,093
Amounts withheld from salary and wages	<u>167,344</u>	<u>401,354</u>
	<u>714,101</u>	<u>1,022,447</u>

Note 11. Provisions

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Employee entitlements	2,040,865	2,161,861
Other Provisions	<u>2,059</u>	<u>80,362</u>
	<u>2,042,924</u>	<u>2,242,223</u>
<i>Non-current liabilities</i>		
Employee entitlements	<u>147,345</u>	<u>201,373</u>
	<u>2,188,210</u>	<u>2,363,234</u>

Aggregate employee entitlements liability

	2023 \$	2022 \$
<i>Current liabilities</i>		
Grants in Advance	254,377	312,333
Committed Funds	<u>3,153,007</u>	<u>765,905</u>
	<u>3,407,384</u>	<u>1,078,238</u>

Note 13. Other Financial Assets

	2023 \$	2022 \$
<i>Current assets</i>		
Investment Portfolio	4,654,690	4,612,123
Unrealised Gain from Investments	<u>901,415</u>	<u>102,921</u>
	<u>5,556,105</u>	<u>4,715,044</u>

Note 14. Key management personnel disclosures

Compensation

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

	2023 \$	2022 \$
Aggregate compensation	<u>1,710,229</u>	<u>1,729,034</u>

Note 15. Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by Nexia Edwards Marshall (for FY23) and Ascensio Accountants (for FY22), the auditor of the Company:

	2023 \$	2022 \$
Auditing or reviewing of the financial report	25,000	11,000
Other services	<u>1,500</u>	<u>-</u>
	<u>26,500</u>	<u>11,000</u>

Note 16. Effect of Changes in Accounting Policy

In financial year ending 30 June 2022, Adelaide Northern Division of General Practice Ltd changed its method of accounting for Long Service Leave (LSL). Before financial year 2022, provision was made to account for payment of LSL from the commencement of employment for every employee. The new method of calculating the Long Service Leave provision still accounts for payment of LSL from the commencement of employment for every employee but now uses the Milliman Actuarial discounted rates that were developed for the purpose of discounting employee benefit liabilities under Australian Accounting Standard 119 (AASB119). The change in method of calculating LSL resulted in a reduction of the LSL Provision in the amount of \$981,436 and is reflected as an Extraordinary item in the Statement of Comprehensive Income.

Note 17. Commitments

The company has a commitment for expenditure of \$468,839 for a site refurbishment as at 30 June 2023 (FY2022: nil).

No matter or circumstance has arisen since 30 June 2023 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 19. Reconciliation of total surplus/(deficit) from operations to net cash used in operating activities

	2023 \$	2022 \$
Total Surplus/(Deficit) from Operations for the year	(5,721,248)	526,667
Adjustments for:		
Depreciation	2,392,577	1,722,043
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and term debtors	349,751	(574,678)
(Increase)/Decrease in prepayments	73,766	(93,251)
Increase/(Decrease) in trade creditors and accruals	164,765	(1,492,212)
Increase/(Decrease) in other creditors	1,480,597	(1,815,514)
Increase/(Decrease) lease liabilities	879,814	(1,198,092)
Increase/(Decrease) in employee entitlements	(175,024)	580,795
Increase/(Decrease) in sundry provisions	(78,303)	318,279
Net cash used in operating activities	<u>(633,305)</u>	<u>(2,025,963)</u>

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SONDER CARE LIMITED

In accordance with the requirements of subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the audit of Sonder Care Limited for the year ended 30 June 2023 there have been no contraventions of the independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* in relation to the audit.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

3 October 2023

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SONDER CARE LIMITED

Opinion

We have audited the financial report of Sonder Care Limited ('the Company'), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Sonder Care Limited, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 & 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.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SONDER CARE LIMITED (CONT)

Directors' responsibility for the financial report

The Directors of Sonder Care Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view so that it 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.

Auditor's responsibility for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF SONDER CARE LIMITED (CONT)**

Auditor's responsibility for the audit of the financial report (Cont)

- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

3 October 2023

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