



ANNUAL 2020/21
REPORT
Looking ahead 2021

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The Chair and the CEO are pleased to present to you the Kurri Kurri Community Services LTD (KKCS) 2020/21 Annual Report.

2021 - A YEAR OF CHALLENGE & A YEAR OF SUCCESS

The need to respond to Covid continued to disrupt our lives and greatly impact the communities we serve. It was, and continues to be, an extremely challenging time for our clients and our staff. The Management team and all KKCS staff remained committed to delivering our essential services in new and innovative ways while protecting the health and wellbeing of our clients and staff.

• *The Challenge*

KKCS was again significantly impacted by the Covid pandemic in FY2021. We were subjected to numerous health directives and restrictions and operated under pandemic and infection control plans for the entire financial year. Nearly all KKCS' services are deemed "essential services" and continuity of service and support of our community remained a key priority.

• *The Success*

KKCS rose to the many challenges of Covid and continued to deliver all essential services with no disruption. We also took the opportunity to test new ways to deliver services and innovative operating models

– such as TeleHealth – which proved very successful and will continue to be used in the future.

As we addressed these challenges, KKCS continued to deliver against our organisational strategy. Our focus on community engagement and quality of service resulted in increased demand for our existing services locally and outside our traditional geographic footprint, as well as demand for additional new service types. Our management team and all staff continued to perform at remarkable levels.

We are pleased to report that KKCS met the Covid challenge, continued to grow and diversify, and delivered a solid financial performance in 2021. Even more pleasing, no KKCS staff, clients or supported community members (a combined total of more than 5,000+ people, many of whom are vulnerable) were infected with Covid.

Financial Performance

The Covid pandemic had a material impact upon KKCS financial performance, both negative and positive. The negative impact arose predominantly in the first half of the financial year, with top line income in most KKCS business units dropping due to clients self-isolating due to fears of covid infection, and health order restrictions limiting our ability to deliver services.

This resulted in the postponement or reduction of a number of KKCS services. We were however able to offset this negative impact by diversification, significant growth of some business units (e.g. Hunter Commercial) and the support of government programs such as the JobKeeper program.

Despite the impact of Covid, KKCS performed well in 2021 generating an operating profit of \$673k. Total income increased YOY by 42% to \$17.33 million. Removing all government Covid support programs (e.g. JobKeeper) income increased 34% to \$13.93m. Tight cost controls allowed KKCS to achieve an operational profit of \$673k and a 15% growth of net assets on our balance sheet.

Corporate Governance and Strategy

KKCS' organisational strategy was reviewed and refreshed in FY2020 and the KKCS FY2021 Business Plan outlined the first year of this refreshed strategic Plan. This plan was fully delivered upon in 2021, achieving all key milestones. The FY2022 Business Plan, encompassing the second year of the strategy, will be delivered in FY2022. Given the profound changes happening in many of the sectors we support – particularly aged care – the KKCS Board has implemented an 18-Month Strategy Review cycle to ensure our strategies remain current. The first review will take place in early calendar year 2022.

KKCS strengthened its clinical governance framework in 2021. Additional clinical staff were recruited (RNs and EENs), enhanced clinical governance reporting was implemented, our clinical governance and compliance committee was expanded to include external expertise, and a dedicated quality and compliance role was created. This establishes a very strong clinical governance framework that will be suitable for our planned future service offers.

KKCS undertook two significant external audits in 2021 – one related to the NDIS Practise Standards and one related to Work Health and Safety practice. The outcome of both audits was excellent – confirming the strength of our corporate governance framework.

Growth and Diversification – New Brands and New Services

KKCS' Vision and Mission are focused solely on supporting our communities – particularly vulnerable community members that are lacking required supports. This focus drove several growth and diversification initiatives in 2021.

Kaimana Youth Services was launched in 2021 – which is focused on provision of specialised services for children and families in the Newcastle, Hunter, and Central Coast areas. At the time of launch Kaimana offered Mentoring, Family Support and Alternative Care Arrangement (e.g. emergency out of home care). We were delighted with the reception Kaimana received and have begun planning for the rollout of additional services and expansion into new geographic areas.

There was significant demand for our disability and allied health services in 2021 – including growing demand outside the Hunter region. Historically these services were delivered under KKCS' Hunter Community brand. Reflecting the increased demand for these services they were relaunched under a new "KAWA" brand – KAWA Allied Health and Wellness and KAWA Disability Services. Both services extended their service portfolio with KAWA Allied Health launching speech pathology and KAWA Disability adding five new NDIS registration categories.

The Centre, OOSH and Youth Services

In November 2017, a major storm hit Kurri Kurri and severely damaged The Centre on Lang Street. In February 2021 works were finally completed and The Centre was officially relaunched by Ms. Meryl Swanson, MP, Federal Member for Paterson and Mr. Bob Pynsent, Lord Mayor of Cessnock. All programs returned to full activity at that point. Unfortunately, due to Covid restrictions many of the community festivals and activities that we support were again cancelled in 2021. We look forward to relaunching all these programs with our community partners when restrictions are lifted.

Despite Covid, KKCS continued to deliver all our Community Youth Support services and In-School Counselling services under our contracts with the Department of Communities and Justice. We refreshed and relaunched these services under the new Targeted Early Intervention framework – which is focused on measuring client outcomes.

KKCS also launched a new School Health Liaison service to local schools. This service puts a Registered Nurse into local schools to assist in early assessment and intervention with children who may require additional supports – with a focus on supporting family and educators to support these children to succeed. The program has been extremely well received and successful.

Support and Wellbeing for Aging Community Members

The outcomes from the Aged Care Royal Commission have been released and have had a profound effect on the aged care sector – including the release of new quality standards and a proposed new framework for the future aged care service architecture that will replace/supplement the current CHSP and HCP programs. Our focus in 2021 was ensuring we continued to build on our quality of service by increasing the number of clinicians (RNs and EENs), rolling out an enhanced clinical governance framework, and completing self-assessment against the new Quality Standards.

Our continued focus on quality and consumer centric services has continued to build Hunter Community Services' reputation in the marketplace. Word of mouth referrals resulted in a 43% growth in Home Care Package consumer (HCP) and a 62% increase in income from Aged Care services.

Commercial Services

While most KKCS business units were challenged by Covid, new opportunities were opened for Hunter Commercial Services (HCS). HCS (in partnership with Odyssey) launched an expanded Facilities Management service. Additionally, HCS launched a new Safety Service product offer that has been requested by our current clients. During 2021 HCS successfully acquired several significant new contracts for both cleaning and grounds maintenance. This enabled HCS to increase our employment of people with disability by 58% (75% of HCS staff identify with disability) and achieve a 127% increase in annual income.

Odyssey Builders was materially impacted by the Covid government restrictions and client concerns regarding Covid, leading to a 12% decrease in home modifications over the previous year. Limitations on CHSP and NDIS funding for home modifications continues to challenge the sector. A key focus for Odyssey has been the diversification of services, resulting in a 10% increase in quotes for private work. Additionally, in partnership with Hunter Community Services, Odyssey has begun to deliver building maintenance services as part of an overall Facility Management product offering. Two pilot programs of this service in 2021 were successful.

Looking Ahead

KKCS' focus in 2022 will be on four major areas:

Aged Care Reforms: The CHSP funding program will be replaced by a new framework on July 1, 2023. This will impact our Hunter Community, Odyssey Builders and KAWA Allied Health business units. The replacement program will become clearer as we transition into 2022 – however, we are certain the model will include increased consumer choice and control. We will be tracking this closely and working diligently to ensure KKCS and our clients are fully prepared to migrate to the new funding model when launched. This migration will be challenging for all service providers, but we are confident we are well positioned given our successful migration to NDIS and Home Care Package programs as well as our excellent reputation in the market.

Growth and Diversification: KKCS will remain focused on our core Vision and Mission – supporting our communities with accessible and quality supports and services. As we have witnessed over the past several years, this focus translates directly into growth and diversification opportunities to support additional communities and vulnerable people needing these services. Our service portfolios in Kaimana, KAWA Disability, KAWA Allied Health, and Hunter Commercial Services will expand in 2022. KKCS will also continue our controlled geographic expansion across all business units as unmet needs are identified in nearby communities that we do not currently support.

Community Engagement: Communities around the world have suffered isolation and discontinuity due to Covid restrictions and lockdowns. As we emerge from Covid we will be focused on strengthening our community engagement and bonds with community members and other for-purpose community organisations in all the communities we support.

Navigating Covid: We anticipate that Covid will remain an issue in 2022 and beyond. Our pandemic management plan and infection control policies have been highly successful to date. We will continue to be vigilant and ready to respond quickly to any new Covid related challenges that arise. The safety and wellbeing of our clients, staff and communities will remain our top priority.

We look forward to an equally rewarding 2022.



Andrew Hughes - Chairman



Mike Coddington - CEO

THE CENTRE @ KURRI KURRI & KURRI KURRI YOUTH SERVICES



WHAT WE DO?

The Centre @ Kurri Kurri has been supporting Kurri Kurri and the surrounding communities for over 36 years. We provide an extensive range of services and programs including in-school and in-community youth supports, targeted early intervention programs to primary & high schools, Kurri Kurri OOSH, a food cooperative, men's and women's sheds, Carers Friendship Network, gymnastic and dance programs and an expansive range of social clubs and activities for all people within our community. The Centre building itself is used by a number of local clubs and organisations and is recognised as the hub of our community.

A YEAR IN REVIEW

The Centre, after several years of building renovation works, was re-launched in February 2021, enabling many programs to be regrouped back at 251 Lang Street. Unfortunately, due to Covid restrictions many programs were again reduced or postponed. We did however, continue to deliver essential services despite the Covid restrictions. As soon as restrictions are lifted, it will be "back to business" as we support thousands of local community members through the many programs delivered.

Key achievements include:

- Funding agreements for all community and youth programs were all renewed at full funding levels.
- Application to increase OOSH capacity by 100% was submitted – we await approval.
- Community educational garden completed in partnership with Work for the Dole program.
- "Targeted Early Intervention" Program delivered by our School Health Liaison Officer launched to support primary school children in our community.
- "Cessnock Driving Success" program provide local young people with supervised logbook driving hours launched in partnership with Children's Legal Services Aid NSW.
- "Custody Support Training" program that trains volunteers to support young people in Police Custody launched in partnership with NSW Transport and Cessnock PCYC.

INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021



THE YEAR AHEAD...

We expect that 2022 will be a challenging year for the communities we serve as the Covid pandemic continues to impact individual lives, families, and businesses. The Centre and our Youth Services staff will continue to deliver all essential services to our community – which we anticipate will have an even greater demand. We will deliver non-essential services in new and innovative ways to address Covid limitations. We are optimistic that the Covid pandemic will come under control at some point in 2022 and we can again start working closely with other community-based organisations to fully relaunch many community activities and programs that have been on hold for the past two years. We are looking forward to getting back to a “new normal” way of supporting our communities.

KAWA – DISABILITY SERVICES



WHAT WE DO?

KAWA Disability Services offers a wide range of NDIS support services including community access, personal care supports, capacity building, support coordination, supports around the home and group-based activities. KAWA Disability Services also works very closely with Kaimana Youth Services to ensure young people who require both disability supports and services offered under the Department of Communities and Justice receive integrated, high-quality, wrap around services. KAWA Disability Services is led by Yvette Clark who has many years' experience managing a wide range of disability services. Yvette combines her experience with a very contemporary approach to providing support services focused upon participant choice and control.

A YEAR IN REVIEW

2021 was a big year for KAWA Disability Services. Prior to 2021 KKCS provided disability supports under our Hunter Community Services business unit that also delivers Aged Care Services. Reflecting the growth and diversification of our disability supports and the rapid growth of our participant numbers, KKCS launched a new independent business unit for disability supports. The dedicated business unit will be more agile in providing new, participant centric supports and services. The KAWA Disability Services brand was chosen (as a sister brand to KAWA Allied Health Services) to emphasise our commitment to holistic, wrap-around supports for our participants.

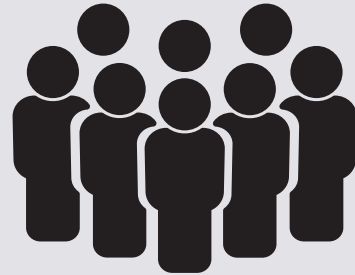
KAWA initially offer the range of services described above. Further registration groups were submitted to NDIS to support Supported Independent Living, Short Term Accommodation (respite), Community Nursing Care, Specialist Disability Accommodation, and Plan Management Services. With these increased registration groups, KAWA will offer a complete service suite to support people to live a great and fulfilling life. KAWA also successfully completed an audit against the NDIS Practice Standards – including coverage of the newly requested registration groups.

Covid restrictions did reduce face to face supports in 2021. However, communication measures were put in place to eliminate any participant restrictions on our support program deliverables, and we were able to deliver all required supports.

INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021

200+

NDIS participants supported



212%

increase in NDIS Funding based on growth of support services



59%

growth of NDIS participants we supported last year.

21,000hr
service hours delivered in the last 12 months



THE YEAR AHEAD...

While 2021 was a big year for KAWA Disability Services we expect 2022 to be even bigger. We will apply for a set of new registration groups (Early Intervention, High Intensity Supports, Specialised Support Coordination) further broadening our service offer and hopefully launch these services in mid-2022.

To date, KAWA Disability Services has grown quickly due to our dedication to quality and focus on participant centric services. All our new participants have joined us due to referrals from existing participants or referrals from service partners due to our reputation in the community. We will undertake a promotion campaign next year to get the word out about KAWA Disability Services and we will begin to provide services from our Broadmeadow facility.

HUNTER COMMERCIAL SERVICES



WHAT WE DO?

Hunter Commercial Services (HCS) is a social enterprise that provides employment for people with disability. We offer a wide range of facilities management services including grounds maintenance, commercial cleaning, building maintenance, and safety services to large corporations, government agencies, small businesses, and other community organisations. Our clients are as committed as we are to social inclusion and diversity in the work force – which is reflected in our motto “Partnership with Purpose”. For our clients we offer the unique opportunity to attain high quality services at good value, and at the same time to give back directly to the communities they serve.

A YEAR IN REVIEW

Hunter Commercial Services reputation continues to be excellent, reflecting our ongoing focus on quality of service and customer service. Despite the ongoing Covid restrictions, our business continued to grow, driven primarily by referrals from existing, highly satisfied customers.

We extended our service offerings to include the launch of a new division, Safety Services, which includes RCD Test & Tag, First Aid Stock Audit/Replenishment, Fire Blankets Test & Tag, Fire Extinguishers Test & Tag and Smoke Alarms Testing services. We also extended our geographic footprint by expanding further into Regional NSW including the Mid North Coast and Central West Regions.

While we experienced significant business growth over the last year – we continued to focus on our core social purpose objectives. While our workforce grew significantly, we simultaneously increased our % of staff with disability from 60% to 75%. We also significantly increased the number of ATSI crew members.



INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021



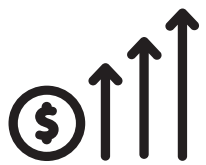
75%
of our team
members identify
with a disability



58%
increase of total frontline
workforce with disability

75%
increase in cleaning
sites serviced across
Regional NSW



127% 
income growth
– despite the Covid pandemic

26,600,000m² 
Per annum we service in
grounds maintenance
across our contracts

THE YEAR AHEAD...

As we move into the coming year, we will continue to grow and diversify our services. In line with our Full-Service Facilities Management strategy, we will add additional facilities management services as requested by our customers. We will also continue our geographic expansion into additional Regional NSW locations. As an Australian Disability Enterprise (ADE) we will transition into the new Supported Employee Award as set by the Fair Work Commission, we will expand our recruitment engagement opportunities and continue to upskill front line crew members with new training opportunities. We will continue to be an Employer by Choice for those with disability – all whilst we continue to live by our core values and create Partnerships With Purpose with our current and new clients.

ODYSSEY BUILDERS AUSTRALIA



**ODYSSEY
BUILDERS**

WHAT WE DO?

Odyssey Builders supports aged Australians and people with disability to live safely in their own homes through undertaking accessible home modifications. This work is funded by National Disability Insurance Scheme (NDIS), Commonwealth Home Support Program (CHSP), Home Care Packages (HCP), iCare insurance, as well as privately funded works. Our works range from installation of simple handrails to bathroom modifications to full builds of new accessible houses.

A YEAR IN REVIEW

We continued to deliver home modifications across all our funding streams in 2021. However, Covid restrictions and client concerns about tradespeople in their homes placed a “hold” and/or delay on many services – particularly those not deemed as a critical home safety issue for client. This resulted in a 12% reduction in home modifications from the previous year and an equivalent impact on Odyssey’s financial performance. Funding for these postponed jobs was rolled forward into FY2022 when we will deliver these delayed services.

Despite the Covid setbacks we continued to deliver on our growth and diversification strategy. We expanded our geographic footprint in Regional NSW – focusing on the Mid North Coast. We also partnered with Hunter Commercial Services to deliver building facilities management services for strata management companies as well as large industrial clients.

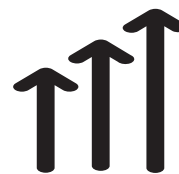


INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021



85% Billable hours
front line staff productivity

100% Clearance in
homeowners' warranty



10%

Increase in quotes for private
(non-government funded) work

20%+

increase in home
modifications in
Mid North Coast



THE YEAR AHEAD...

The current CHSP funding model will end in June 2023. Details of the new funding model will become clear early in calendar year 2022. We are hopeful that the new model for home modifications funding will address the shortfalls of the current funding model. Odyssey will prepare for the new funding scheme as details emerge.

We will continue to pursue a growth and diversification program to reduce our dependency on government funding in 2022. We will continue to work with property developers and investors to support Specialist Disability Accommodation builds. We will commence a formal marketing program to build brand awareness and affinity for Odyssey Builders in the local markets. We will work closely with Hunter Commercial Services, service to enhance our facility management service offering.

HUNTER COMMUNITY SERVICES



WHAT WE DO?

Hunter Community Services (HCOM) provides a range of aged care supports and services to consumers across the Cessnock, Maitland, Newcastle, Lake Macquarie and Port Stephens local government areas. HCOM services provided under the Commonwealth Home Support Program (CHSP) include personal care, domestic assistance, social supports, flexible respite, centre-based respite, goods & equipment, transport, and home maintenance. Services provided under the Home Care Package Program (HCP) program include all services provided under CHSP as well as case management, clinical assessments, nursing services and allied health services.

A YEAR IN REVIEW

In response to the Aged Care Royal Commission, it has been identified in our planning that a new support home program based on 5 pillars will eventually replace existing CHSP programs, commencing in 2023. Our current CHSP funding has been extended until that time and we will continue to focus on delivery of quality services and supporting our consumers as they migrate to the future aged care program.

During 2021 we continued to grow significantly in consumer numbers as well as income. This is a direct result of our focus on quality service, consumer choice and word of mouth referrals. Our CHSP funding is capped so we experienced only modest growth in this area. The majority of our growth was with Home Care Packages. We have made significant operational improvements and advanced our Clinical Governance Framework with the establishment of our Quality Clinical Review and Risk Committee. We continued to focus on the addition of talented clinical staff (RNs and EENs) to support delivery of high quality, more clinical in-home support.

INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021



THE YEAR AHEAD...

We anticipate we will be audited in 2022 under the new Aged Care Quality Standards framework. Our work in 2021 has us well prepared for this vigorous audit.

From a service perspective, we will be focused on delivery of higher-tier, more clinical in-home supports that are aligned with the 5 Pillars framework of the forthcoming aged care framework. We will continue to grow our clinical staff and will be focused on upskilling all our front-line support workers.

A major project we will undertake in 2022 will be the replacement of our client management system with full integration with KKCS' other back-office systems. This will provide greatly enhanced client management capabilities and significant productivity gains with our rostering team and front-line support workers. We will also prepare for the payment changes in the CHSP program (e.g. billing in arrears).

We expect that Covid will continue to be a factor well into FY2022 – but we are well prepared to address these challenges and continue to deliver services and supports to our consumers.

KAWA – ALLIED HEALTH & WELLNESS SERVICES



WHAT WE DO?

KAWA Allied Health Services provides Occupational Therapy, Physiotherapy, Speech Pathology and Podiatry services to clients across the Cessnock, Maitland, Upper Hunter, Newcastle, Lake Macquarie, Port Stephens and Central Coast areas. These services are provided under National Disability Insurance Scheme (NDIS), Commonwealth Home Support Program (CHSP), Home Care Package Program (HCP), Department of Veterans Affairs, iCare, Legal Aid, Medicare and privately funded. Our aim is to individualise health and wellness targets, promoting individual participation and independence in life's daily activities whilst enhancing physical, cognitive, and psychosocial skills.

A YEAR IN REVIEW

In 2021 we continued to expand our service profile with the launch of Speech Pathology services. These services assist clients with speech & communication, language & literacy, swallowing, alternative augmentative communication assessments and social skill development. We also expanded our Allied Health Assistant service that provides therapeutic support and Allied Health programs to individual clients as well as in group settings.

KKCS' Allied Health services have historically operated under several other KKCS brands. Due to increasing demand and the rapid growth of these services it was decided to relaunch under a new brand – KAWA Allied Health & Wellness Services. This new brand is highly recognisable by our clients and will be a key to our future growth and diversification.

Whilst the Covid restrictions in place in community reduced face to face opportunities, Kawa Allied Health services was able to still deliver many services via TeleHealth - ensuring our clients' health and wellbeing were not impacted by ongoing restrictions. For example, the new Kickstart KAWA Wellness Group program that launched this year was provided via TeleHealth during lockdown and migrated back to face-to-face when restrictions were lifted. Despite the impact of Covid, we were able to build upon our successful Wellness Centre Pilot program in 2020 and opened three clinical rooms in our Kurri Kurri location in 2021.

INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021



THE YEAR AHEAD...

We anticipate that demand for our Allied Health services will continue to grow in 2022. To meet this demand we will continue to expand our clinical team and we will open a new office location in Kurri Kurri. We will also open new clinical rooms in Newcastle at our Broadmeadow Centre Facility. We also plan to add additional types of clinical services (e.g. Early Intervention, Paediatric Supports, Behavioural Supports and Psychology) to our service offering – providing a holistic wrap around services to all our clients. To support this growth and diversification we will also roll out a new client management system that will support all our KAWA Allied Health clients.

KAIMANA YOUTH SERVICES



WHAT WE DO?

Kaimana Youth Services provides a range of specialised services for children and Families in the Newcastle, Hunter and the Central Coast areas. Our tailored programs are designed to work with children and families to identify their specific goals, provide them the supports they require to achieve them, and enable each child or young person to recognise the power and pride of the Kaimana motto: **“I will be who I choose to be”**. All services are referral based.

Kaimana Youth Services is led by Shayne Baker, a highly experience and respected leader within the Hunter Region Youth Services sector.

A YEAR IN REVIEW

Kaimana Youth services was launched December 2020, partnering with Department of Communities and Justice, Department of Education and NDIS and working closely with Mental Health First Aid Australia to support children and families with tailored programs to provide the best possible outcomes.

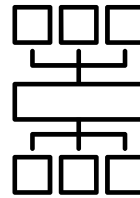
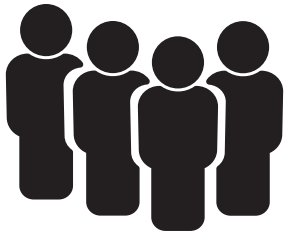
Services launched in 2021 include:

- **Mentoring programs** – Court Supports (attending juvenal justice mandatory proceedings), Education Supports (supporting schools in educational engagement), and Sports Supports (development of teamwork and social skills).
- **Family Support:** Family Group Conferencing (coordination of conflict resolution and family restoration) and Family Support Workers and Supervised Contact Workers (provision of specialised support workers to facilitate family restoration).
- **Alternative Care Arrangements** – A 24x7 care programs where support workers deliver structured day to day activities that are safe, therapeutic, and nurturing. This includes Supported Independent Living, Intensive Therapeutic Care, Therapeutic Respite and in-home supports, and Emergency Out of Home Care.

INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021

34

Highly qualified mentors and youth support workers



6

Number of other youth service providers to whom we broker services

4

Department of Communities and Justice Centers Supported



SEVEN

Services launched - including sporting clinics, school holiday programs, and Mental health first aid



THE YEAR AHEAD...

Demand for our current services is high – and we expect to support significantly more children and families in 2022. We will be launching a technology-based profile mapping framework that matches mentors to the child and/or families we support. This will increase positive engagement from Day 1, facilitate long term trust and support the personal growth of the young people we support.

We plan to broaden our service offer in 2022. Registration will be submitted for Voluntary Out of Home Care (VOOHC) and we hope to launch this service in early 2022 with initial placements in the Newcastle/Hunter region. We will also expand our services into Regional NSW with the opening of new office locations. Finally, we plan to further develop and expand our mental health training programs, well-being sporting clinics, and year-round school holiday programs.

KKCS CORPORATE SERVICES

WHAT WE DO?

Corporate Services is the engine room of KKCS and provides all back-office services to our seven diverse businesses. This includes accounts payable, accounts receivable, financial management and control, asset management, fleet management, technology, human resource management, WHS and safety management, quality and compliance, all audit activities, business development and marketing.

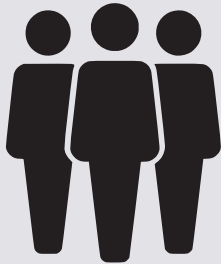
A YEAR IN REVIEW

The Corporate Services team continued to address the numerous Covid pandemic challenges that have impacted all our clients, staff, and services in 2021. In parallel the team supported the overall growth of the organisation and ensured KKCS exceeded the demanding quality standards of all our funders and regulators.

Some achievements in accomplishing challenges endured include:

- Implemented an on-line Training Portal supporting all staff
- Commenced rollout of a new enterprise-wide Client Management System (CMS)
- Rolled out enhanced Covid Safe Work Practices at 50+ work sites
- Attained 100% compliance on all major audits and spot checks
- Enhanced credit card reconciliation systems and processes
- Rolled out Office 365 and enhanced cyber security systems across the organisation
- Completed market research and developed the Marketing plan across 11 brands
- Launched a formal Business Development team
- Supported a 34% growth in annual income across KKCS

INTERESTING FACTS AND FIGURES FOR FY 2020 / 2021

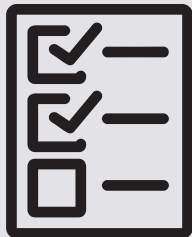


41%

increase in total
KKCS staff

zero

Serious staff
injuries or incidents



five

Major new NDIS registrations
groups added

New
Business
Acquired
\$3+ Million



+35,000

Financial
transactions processed

Completed 3 major audits with



100%
Compliance

THE YEAR AHEAD...

We expect that 2022 will be similar to 2021 - where we will face ongoing Covid challenges but at the same time continue to grow and diversify our services and operations to support many more vulnerable people. A key focus of 2022 will be to ensure we continue to exceed all regulatory quality standards and maintain our excellent record of workplace safety in parallel with our ongoing growth. In this regard we will be undertaking a major audit under the Aged Care Quality Standards. We will also complete the enterprise-wide rollout of a new CRM system and will begin the process of upgrading our finance systems to ensure they are fit for future purpose. Preparation will also begin to ensure we are fully prepared for the fundamental changes to the Commonwealth Aged Care program. Finally, we will be revamping all our marketing and promotional material to reflect our growth as an organisation. In summary, 2022 will be busy and exciting at the same time.

FINANCIAL RESULTS FOR THE FINANCIAL YEAR 2020 /21

	2021	2020	Change Year On Year
Revenue	\$	\$	\$
Government funding & donations	7,061,170	4,786,935	2,274,235
Fee for Service revenue	8,116,222	6,083,277	2,032,945
Interest revenue	43,375	67,997	(24,622)
Covid 19 Stimulus	2,086,573	1,148,247	938,326
Other Revenue	279,757	112,806	166,951
	17,587,097	12,199,262	5,387,835
Less: Expenses			
Advertising expense	21,655	4,033	(17,622)
Bad Debts	4,018	944	(3,074)
Depreciation and amortisation expense	435,656	267,428	(168,228)
Employee benefits expense	12,460,642	8,482,619	(3,978,023)
Home modification expenses	874,388	1,280,118	405,730
Materials and consumables used	440,377	378,390	(61,987)
Occupancy expense	266,313	275,672	9,359
Transport expense	363,906	265,631	(98,275)
Other expenses	2,046,920	1,034,416	(1,012,504)
	16,913,875	11,989,251	(4,924,624)
Profit / Loss before income tax expense	673,222	210,011	463,211
Other comprehensive income for the year	-	-	0
Total comprehensive income	-	-	0
Net Assets	5,031,893	4,358,670	673,223

Auditor's independence declaration to the responsible persons of Kurri Kurri Community Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- no contraventions of the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Reassurance Audit Services Pty Ltd

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley

Director

Date: 18 October 2021

Stockton, NSW,

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Independent audit report to the members of Kurri Kurri Community Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial statement of Kurri Kurri Community Services Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 30 June 2021 is prepared, in all material respects, in accordance with the Australian Accounting Standards - Simplified Disclosures.

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 Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

Basis of Accounting

We draw attention to Note 3g of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Company in complying with the requirements of the Australian Charities and Not-for-profits Commission Act. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Covid 19 pandemic

We draw attention to Note 1g to the financial statements, which describes the uncertainties and possible effect on Kurri Kurri Community Services Limited arising from its management of the ongoing issues related to COVID-19. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

Reassurance Audit Services Pty Ltd

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley

Director

Date: 25 October 2021

Stockton, NSW,

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ANNUAL 2020/21 REPORT

Looking ahead 2021



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