

# KUDOS

## Annual Report 2020-21



**KUDOS**

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# About Kudos

## Our Vision

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We are built on the belief that every child, young person and adult, and their families or carers, has the right to belong to a supportive community that understands them and is completely focused on their unique ability to achieve the best that is possible.

## Our Purpose

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We empower children, young people, adults and their families and carers to shape positive outcomes and live their best lives.

## Kudos Values

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### Knowledge

We are a bold, highly skilled and experienced multidisciplinary team of therapists, sharing best practice techniques with our community of clients and their parents or carers to achieve results together.



### Enterprising

We are bold, innovative and brave, driven to do things differently through our Australian-first mutual model of integrated service delivery.



### Camaraderie

We are a group of brave, purposeful people with a shared passion for improving the lives of children, young people and adults.



### Heart

We will inspire and care for each other, take pride in our achievements through mutual celebration and ensure everyone in our community – therapists, people with disability, and their families or carers – are valued and appreciated.



# 2020-21 Achievements

## 5,500+

children and families supported through the Early Childhood Approach



## 424

Children, young people and adults supported with Therapy services

## 76

community linkages information sessions and workshops

## 259

Individual Early Childhood Approach community consultations or visits

## 108

Members



New Board Director elected by members



## 52

new therapists, practitioners, and support or corporate staff employed



## New CEO appointed

2021-24 Strategic Plan  
**On Our Own Terms**  
developed and released

Enterprise Agreement negotiating committee established



Full review of Kudos' Constitution



Annual General Meeting and Members' General Meeting held



# Chair's report



Dear Members

I am very pleased to be presenting this Report as Chair of the Board of Directors of Child and Youth Services Mutual Ltd, or Kudos Services.

2020–21 represented an enormous year for Kudos. The third year for Australia's first public sector mutual saw us lay the groundwork towards the goal of operating on our own terms, while continuing to provide high-quality services to thousands of South Australians.

We did this by undertaking a number of significant strategic projects and activities, to give shape to a new, three-year Strategic Plan that sets out the directions for the next chapter for Kudos. The strategy focusses on maintaining the exceptional reputation of Kudos' Early Childhood Early Intervention services, significantly growing our fee-for-service Therapy arm, creating opportunities for co-designing services and operations with stakeholders, and living the mutual culture.

The Board of Directors has worked closely with the Members Advisory Council and Senior Management Team to develop these strategic objectives and KPIs, and a monitoring and reporting system to support their implementation. Over a series of workshops in early 2021, the strategy was designed, and all members and employees had the opportunity to give input, feedback and suggestions – a crucial element of the process. What we've arrived at with the 2021–24 Strategic Plan *On Our Own Terms* is a forward direction that represents the shared goals and aspiration of the Kudos team. Thank you to everyone who took part in this process, and I acknowledge in particular the leadership of the MAC for providing an important members' perspective to the deliberations.

Other headline projects and activities to support the continued growth and development of Kudos were the review of the Constitution, and the commencement of negotiations for a new Enterprise Agreement. These projects have tackled some of the big questions at the heart of the mutual enterprise and, once completed, will set the organisation up for a future where the mutual culture is enhanced and the member voice is at the centre of the way decisions are made.

The Board appointed a new, ongoing Chief Executive Officer in August 2020. I thank Darrin Johnson for his enthusiasm and efforts over the last year, in supporting the delivery of some of the key projects mentioned above and for working so collaboratively with the Board.

At the Annual General Meeting in October 2020, members appointed Rebecca Wilson as a new Director on the Board and Rebecca has added her high-level experience and skill in the areas of risk, governance and the law to complement the Board's skills-set.

Directors, through our work together as a Board, through the Board Committees, or in partnership with the Senior Management Team and key Kudos personnel, have contributed to a range of organisational activities including:

- Constitution Review Committee and drafting groups
- Development of the Risk Framework
- Development of the Clinical Governance Framework
- Audited financial accounts
- Strategic Planning workshops
- CEO selection panel, and
- Director Nominations Committee.

Over the past twelve months, the dedication, enterprising spirit, and collaborative approach of the members of this employee-led mutual could be seen in all aspects of the business. The outstanding team of specialist allied health practitioners and support staff are the beating heart of the organisation, and you all make a difference to the lives of people living with disability each and every day.

The effects of the COVID-19 pandemic continued over this last year and the team at Kudos Services were able to respond quickly and effectively to address the challenges and to adapt the provision of quality services to clients and their families and carers, albeit in different ways.

Considering the impact of two COVID-19 lockdowns and other restrictions throughout the year, Kudos ended the 2020-21 financial year in sound shape in terms of our profit and loss position.

The impact of accounting rules around depreciation have meant that our overall bottom line is in the negative, but this is something that we will be able to adjust over the current financial year.

The Board of Directors has had the great honour and duty of guiding the organisation over the past twelve months.

On behalf of the other Board Directors – Sam Scammell, Gillian McFee, Tom Laundry, Madge McGuire, Elaine Nash and Rebecca Wilson – I thank you all for your efforts, resilience, innovation, camaraderie and passion, for your support of us and each other, and for living the Kudos values every day.

It has been a privilege to serve this vibrant member-controlled organisation as Chair of the Board and I know that there are many exciting things ahead in the coming year.

**Penny Gale**





# CEO Report



## Kudos to you all!

It has been a privilege being the CEO of this dynamic, resilient, innovative and quality organisation over the last year. All members and employees demonstrate Kudos' values each and every day and have been the driving force behind the significant growth, development and progress of our member-controlled organisation.

This has been a year of enormous activity, so to keep it brief, I thought I'd present this report as highlights from the year that was (deep breath!):

- Growth in our Therapy services to 432 clients by the end of the reporting year
- Expanded Therapy services into regional areas – Whyalla, Port Augusta and Port Pirie
- Consistently met or exceeded the NDIS ECEI key performance indicators
- Remodelled the ECEI grant agreement and operating structure to better align the service with community needs
- Welcomed 52 new employees to our organisation
- Weathered the ups-and-downs of the COVID-19 response, lockdowns and adjustments
- Made adjustments to our clinical leadership model and progressed the development of a refreshed clinical governance framework for Kudos
- Celebrated our second birthday on 1 October 2020
- Held the second AGM, bigger and better than the first, and ably hosted by the MAC
- Appointed new Director Rebecca Wilson at the AGM
- Undertook the first ever employee climate survey and established action areas to improve the employee engagement rating
- Kicked off work on new branding ideas, including a logos refresh, and further work on business development

- Held a members' General Meeting in April to workshop the range of strategic projects that were underway
- Introduced a new digital marketing campaign called "Kudos To..." featuring some of the Therapy team and very special clients and their family members (showing the amazing connection between therapists and clients)
- Made submissions to key national reviews including the NDIA's ECEI Reset, and Support Coordination processes, the development of the National Disability Strategy, and the Disability Royal Commission's Restrictive Practices inquiry
- Shifted our banking services to Beyond Bank, which is another mutual enterprise  
Shifted our salary packaging services to Community Business Bureau, a social enterprise supported by Beyond Bank
- Strengthened relationships with the Co-operative and Mutual Enterprises (CME) sector, through involvement in the Business Council for Cooperatives and Mutuals' working groups on sector promotion and the Mutual Value Measurement framework
- Implemented the recommendations of the Risk Management Review and adopted a new risk framework and system
- Held a governance review workshop, with the MAC and Board, which led to the full review of Kudos' Constitution
- Formed a negotiating committee for the new Enterprise Agreement, following a vote from members on what form the new employment terms and conditions would take
- Made some significant investments in Kudos' corporate infrastructure including a new Human Resources Information System, and
- Developed the 2021-24 Strategic Plan *On Our Own Terms* which was released to all members along with a document explaining the 2021-22 operating budget (including forward estimates across the years of the strategy).

Phew! All members and employees should be so proud of what has been achieved, particularly given the continuing challenges we faced due to the COVID-19 pandemic. Thank you for the care you've provided each other, our valued clients, their families and caregivers, and our broader Community of Care.

I would like to acknowledge and thank the Senior Management Team – Ellie Chronis, Teya Carmichael, Jody Buchan and Gaby Hummel – as well as Executive Assistant Elyse Stewart for their leadership, collaborative spirit, and support for the organisation.

On behalf of all members, I would also like to acknowledge the contributions of Madge McGuire as Acting Chief Executive for the first part of the reporting year. Madge held the reins of the organisation as CEO for much of the preceding year and provided crucial leadership through the first stages of the COVID-19 response.

I am looking forward to working with you all over the year ahead.

**Darrin Johnson**

## On Our Own Terms

One of the key initiatives in 2020–21 was the development of a Strategic Plan for Kudos, a set of organisational key performance indicators for the first year of its implementation, and an operating budget that reflects the priorities and objectives set out in our 2021–24 Strategic Plan: *On Our Own Terms*.

In a first for Kudos, we produced the 2021–22 annual budget in a format for members to gain a deeper understanding of our financial position, budget priorities, and how we are utilising our resources to best effect to meet our purpose, objectives and goals.

The operating budget focuses on positioning Kudos for the time when the set-up funding support for Kudos when we started up ends and Kudos has to be able to operate on our own terms into the future, that is, without this external support and with a reduced reliance on the ECEI funding arrangements.

The document for members also presented forward estimates, showing how we would approach the generation of surpluses from our services that compensates for the end of our set-up grant income, and positions us for financial sustainability, through continuing to build up our financial reserves so that we can reinvest into our Community of Care. It shows how the operating budget will grow and develop in line with the projected growth in service delivery in the Therapy space and continuation of the Early Childhood approach funding arrangements, along with any other service expansion we may explore in the coming years.

The budget reflects an increase in funding for key supporting activities in member experience, corporate support and overheads, and marketing proportional to the increase in activities and income.

The 2021–24 Strategic Plan: *On Our Own Terms* and 2021–22 operating budget were presented to members at a series of Roadshow events on 19 July 2021, to kick off the new financial year and the start of the first year of implementation of Kudos' strategy.

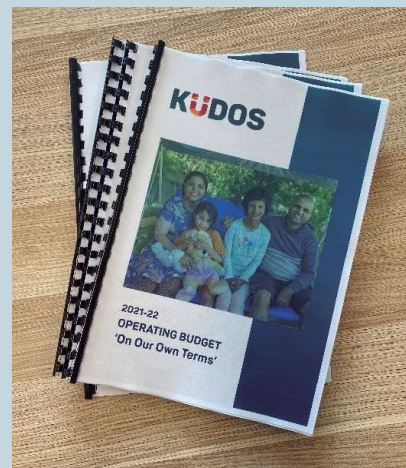


Image: Kudos Strategic Plan celebration cake and 20–21 operating Budget



# MAC report

What a big, challenging and exciting year it has been! Over the last twelve months, there have been a number of changes at Kudos, collaborative work on our future directions, new opportunities emerging, and issues to respond to (not the least of which being the continuing impacts of the COVID-19 pandemic).

The Members Advisory Council thanks all members and employees of Kudos who have contributed to the success of our member-controlled mutual, and for the support you have given us as your elected voice.

This year the MAC has taken part in some organisational strategic projects, including the development of a new, three-year strategic plan, the review of Kudos' Constitution, and the negotiation for a new Enterprise Agreement for our team. You can read more about some of these major projects in the Governance section of this Annual Report.

MAC representatives were also involved in the development of the agenda for, and co-hosted, the AGM in 2020 and the Members' General Meeting in April 2021.

We have welcomed many new members to Kudos, at these members' meetings as well as through informal gatherings at each office.

We have also spent some time reviewing and refining the operations of the MAC itself. We have continued a rotating Chair and Co-Chair arrangement, so that all MAC representatives have the opportunity to take on these roles, and we have also introduced portfolios for the MAC, so that each of us has lead responsibility for key activities such as member education, membership, communication, and engagement and feedback. We have also worked as a group on planning the MAC's priority activities and areas of development, including improved communication and engagement processes, and making sure we are visible, available and accessible for members to approach with their ideas or feedback.

At the end of 2020 we farewelled Karen Temple from Kudos and her position on the MAC and, in April 2021, Beth Taylor's term as a MAC representative ended. We thank Karen and Beth for their hard work and outstanding contributions to the MAC, and to Kudos more broadly.

Following the April Members' General Meeting we confirmed Paula Harris as a MAC representative for a term of another two years, thus ending the financial year with a five-member MAC.

We are looking forward to an even bigger and better 2021-22 and to continuing to enhance the member voice in the decision-making processes of our employee-controlled mutual.

**Keli Blake (Chair), Matt Sanders (Co-Chair), Paula Harris, Bec Morris and Gemma Hogg**





Image: Keli Blake



Image: Matt Sanders



Image: Paula Harris



Image: Bec Morris



Image: Gemma Hogg



# Membership update

- 108 Kudos Members at the end of 2020-21.
- Tell Us! survey results from May 2021 – member engagement rating 5/10.
- Member feedback facilitated for the Strategic Plan, Constitution review and Enterprise Agreement negotiation.

As an employee-controlled mutual, Kudos Services has a focus on providing value to members through employee development, shared innovation, and participation in the governance of the organisation.

The Members Advisory Council, in partnership with the Senior Management Team and the Board, has provided leadership on member participation into some major organisational projects over 2020-21. Members have also had the opportunity to learn more about the organisation's operating budget, participate in the election of a new Board Director, be involved in two members' General Meetings, and provide feedback and input on various matters of importance to the organisation.

At the end of the 2020-21 year Kudos had 108 members who continue to grow the organisation and contribute to the culture of innovation, collaboration and courage that has been the hallmark of Kudos Services since its establishment.

Looking forward, our new Strategic Plan has as one of its four strategic directions the goal to bring our mutual to life through:

- An active and engaged membership
- A clear decision-making and accountability framework to drive an employee-controlled culture based on our values of Camaraderie, Heart, Enterprising and Knowledge
- Robust means of measuring the value of our mutual to members, to the Kudos community of Care, and to the broader community
- Upholding principles of good governance, communication and transparency.



Image: Members and employees at the 2020 AGM









# ECEI update



**5,500+**

children supported through Planning, review or initial supports and short-term intervention



**2211**

first NDIS Plans

**2911**

Plan reviews



**1,904**

enquiries



Consistently met or exceeded Early Childhood Approach KPIs



**76**

ILC events or information sessions

**259**

Individual Early Childhood Approach community consultations or visits



Our Early Childhood Early Intervention (ECEI) partnership with the National Disability Insurance Agency (NDIA) has continued its great success as a service, and strong support for South Australian families with the Early Childhood Approach.

We deliver family-centred Early Childhood supports to children aged 0-7 years with developmental delay or disability in the NDIS regions of the Adelaide Hills, Barossa, Light and Lower North, Eastern Adelaide, Eyre and Western, Far North SA, Fleurieu, Limestone Coast, Murray and Mallee, Northern Adelaide, Southern Adelaide, Western Adelaide and Yorke and Mid North. Over the past year have supported over 5,000 families or caregivers to help their children to develop the skills they need to take part in daily activities and achieve the best possible outcomes throughout their life. As every child is different, we offer information and support tailored to each child's individual needs and circumstances.

Kudos' ECEI service has continued to develop our high performing team and made adjustments to our service model to align with the emerging directions for the Early Childhood Approach. We also contributed a submission to the NDIA's ECEI Reset consultation process, outlining a South Australian perspective on the service, and highlighting areas for development to improve outcomes for young children with disability or developmental delay.

To build awareness, understanding and skills within the community and mainstream organisations, we have developed further our Community Capacity Building and Engagement services. This has all gone towards building the capacity of mainstream services to ensure meaningful inclusion and participation of all children in our community.

As an industry leader and specialists in the field of early childhood early intervention, we have used our resources and community networks to ensure families can access the best pathway of support, information, advice and intervention for their child during those critical early years.





# Therapy Services update

## 2020-21 Financial Year



**424**

clients supported



**15,022**

hours of service delivered

Over the 2020-21 reporting period, significant growth, development and expansion of Kudos' Therapy services has occurred.

We have worked together as a multi-disciplinary team to strengthen and define the service model, and have developed practice and business improvement processes to ensure the most efficient and responsive service system for children, young people and adults living with disability, and their families or caregivers.

This has included extending the reach of Therapy services to country areas including Whyalla, Port Augusta and Port Pirie. We have developed our Positive Behaviour Support and Specialist Support Coordination service offerings, with a team of therapists and practitioners highly skilled in assisting people with complex support needs. We were the recipients of a Building the Local Care Workforce Grant which was used to provide training through Flinders University for our Positive Behaviour Support practitioners and other team members in the Positive Behaviour Support approach.

We have also reviewed and implemented changes around our clinical leadership model; an element of our service system that we highly value in promoting best practice and supporting clinical endeavour.

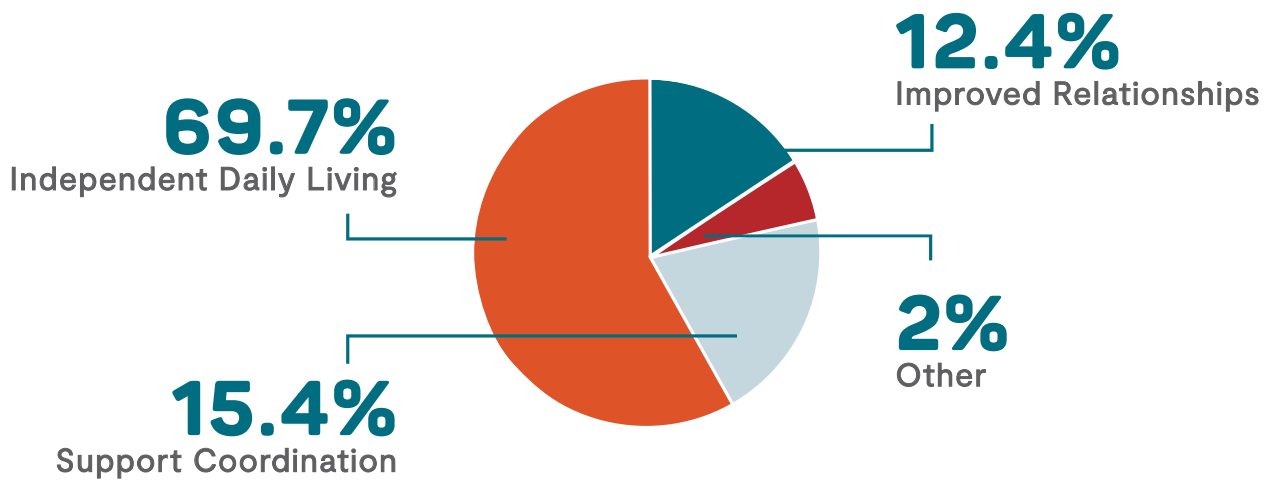
Our team has expanded to 40 dedicated and passionate therapists, practitioners and support staff, and the team has grown stronger and more connected through our regular Therapy Days, communication channels and practical support for each other. The team continues to explore innovative ways to meet client needs and provide supports that assist clients to meet their goals.

We know that our community-based Therapy services are a true point of difference for Kudos in the broader disability service market. That is why we have highlighted our approach and the special relationships between therapists and clients through a refreshed branding and promotional strategy, based around the *Kudos To...* campaign.

These efforts combined have meant that the Therapy business unit has continued to grow and provide support to a higher number of South Australians living with disability.

As the impacts of the COVID-19 pandemic continued to be felt, the Therapy team made adjustments to service delivery, including telehealth services and other methods to sustain therapy programs and client engagement, as well as providing support for each other throughout.

## Services delivered in 2020-21





# Governance update

## Board of Directors

The 2020–21 year commenced with a Board of seven Directors who had been appointed by Kudos members:

- Penny Gale (Chair)
- Sam Scammell (Deputy Chair and Company Secretary)
- Pete Madsen
- Madge McGuire
- Tom Laundry
- Elaine Nash
- Gillian McFee

Following the resignation in September 2020 of Pete Madsen, members sought nominations for a replacement Board Director, with particular emphasis on candidates with a risk management background.

At the 2020 Annual General Meeting members appointed Rebecca Wilson to the Board. Members also resolved to introduce remuneration for the Board Directors, in line with the BCCM Governance Principles and to support the continued engagement of highly qualified and skilled Directors.

Following the 2020 Annual General Meeting, Directors reappointed Penny Gale as Chair of the Board and Sam Scammell as Deputy Chair. The Board also appointed Directors to its two Committees: the Finance and Audit Committee and the Risk and Governance Committee. Both Committees have provided additional rigour to the governance of Kudos Services, in the areas of financial management and strategy, risk management, policy development, corporate governance and member engagement.

The members of the Finance and Audit Committee are:

- Tom Laundry (Chair)
- Penny Gale
- Sam Scammell.

The members of the Governance and Risk Committee are:

- Penny Gale (Chair)
- Elaine Nash
- Gillian McFee
- Rebecca Wilson
- Madge McGuire.

The Board of Directors met eleven times in 2020-21: 20 July 2020, 17 August 2020, 21 September 2020, 19 October 2020, 16 November 2020, 18 January 2021, 22 February 2021, 22 March 2021, 19 April 2021, 24 May 2021 and 28 June 2021.

Name	Number of Board meetings attended	Committee membership	Number of Committee meetings	Number of Committee meetings attended
Penny Gale, Chair	11	Governance and Risk (Chair)	4	4
		Finance and Audit	6	6
Peter Madsen*	1*	Governance and Risk	4	-
Sam Scammell, Deputy Chair	10	Finance and Audit	6	5
Elaine Nash	11	Governance and Risk	4	4
Tom Laundry	10	Finance and Audit (Chair)	6	6
Gillian McFee	10	Governance and Risk	4	4
Madge McGuire**	11	Governance and Risk	4	4
Rebecca Wilson***	8	Governance and Risk	4	3

\*Pete Madsen resigned from the Board in September 2020.

\*\*Madge McGuire attended in the role of Acting CEO for the July 2020 Board meeting.

\*\*\*Rebecca Wilson was appointed to the Board in October 2020.

The members of Kudos Services thank the Board of Directors most sincerely for their commitment to and support of our organisation, and for the diligence and expertise they have brought to their roles.





Image: Tom Laundy



Image: Madge McGuire



Image: Penny Gale



Image: Gillian McFee



Image: Elaine Nash



Image: Rebecca Wilson



Image: Sam Scammell



# Governance update (continued)

The 2020-21 year commenced with a seven-member Members Advisory Council who were appointed by Members:

- Beth Taylor
- Paula Harris
- Karen Temple
- Keli Blake
- Gemma Hogg
- Matt Sanders
- Bec Morris.

MAC member Karen Temple left the organisation in December 2020, and the terms of appointment of both Beth Taylor and Paula Harris ended in April 2020. Following a call for nominations for the MAC, to coincide with the Members' General Meeting in April 2020, Paula Harris was re-appointed for a term of two years. The MAC ended the 2020-21 reporting period with five members.

Over the course of the year the MAC met on a fortnightly schedule, with twenty meetings held. At various times throughout the year, MAC invited guests to meetings including Board Directors Sam Scammell, Tom Laundy and Rebecca Wilson, ECEI General Manager Ellie Chronis, Corporate and People and Culture team members Jody Buchan, Christine Devine and Prisca Lorenza, and Health Services Union representative Lovisa Muyderman.

At the end of 2020 the MAC participated in a governance workshop with the Board and Senior Management Team and, following the workshop, implemented a range of changes to the way communication and interaction occurs between the governing bodies.



Image: Original member-elected MAC members

MAC member	Number of MAC meetings eligible to attend	Number of MAC meetings attended	Number of meetings as Chair	Committee or project involvement
Keli Blake	20	17	3	Strategic Planning EA Negotiating Committee Constitution Review Committee Governance workshop
Matt Sanders	20	20	5	Strategic Planning EA Negotiating Committee Constitution Review Committee Governance workshop
Gemma Hogg	20	20	6	Strategic Planning EA Negotiating Committee Governance workshop
Bec Morris	20	16	NA	Strategic Planning Constitution Review Committee Governance workshop
Paula Harris	20	17	5	Strategic Planning Governance workshop
Beth Taylor	16	15	1	Strategic Planning Governance workshop
Karen Temple	11	11	NA	Governance workshop

## Looking forward: A new Constitution for Kudos

One of the main projects for 2020–21 was the review of Kudos' Constitution.

The project was led by a Constitution Review Committee, with representatives from the Board, MAC and SMT. Opportunities for members to provide input, feedback or suggestions were provided throughout. This engagement included polls, discussions at team meetings, MAC Chats, interactive voting sheets, a survey, focus groups, and other informal discussions.

With the input of the members, the Committee produced an exposure draft of a revised Constitution that articulates the vision and purpose of Kudos in a way intended to motivate members and galvanise stakeholders around a common pursuit.

The proposed new Constitution – which is being voted on at the 2021 Annual General Meeting – provides clarity on Kudos' vision, purpose and objects, and introduces principles aligned with the International Co-operative Principles. In addition, it articulates the role and responsibilities of the main actors of Kudos: the members in General Meeting, the Board of Directors, the Senior Management Team, and the Members Advisory Council.

Thank you to all of the members and employees of Kudos who took part in the Constitution review process and provided your feedback and ideas.







# Community of Care

The members and employees of Kudos Services live by our values of Heart, Camaraderie, Enterprise and Knowledge in our work with clients and their families and caregivers, and how we support each other in our employee-controlled mutual.

In our Community of Care, our team becomes your team, and your team becomes ours. Thank you to all of the parents, caregivers, extended family members, teachers, support workers and other health professionals for allowing us to be part of where you are today, and wherever you want to be tomorrow.

We thank the Business Council of Co-operatives and Mutuals (BCCM) and other co-operative and mutual enterprises, for your support and advice. As members of National Disability Services (NDS) and Business SA, we also appreciate the support provided by our industry peak bodies.

Our thank also go the people in partner organisations with whom we collaborate to empower the children, young people and adults we work with, and to enable a lifetime of achievement:

- National Disability Insurance Agency (NDIA)
- NDIS Quality and Safeguards Commission
- Department of Human Services
- Department of Child Protection
- Department of Health and Wellbeing
- Department of Education
- Public Advocate, Anne Gale
- Disability Advocate, David Caudrey
- Commissioner for Children and Young People, Helen Connolly

We also wish to thank the suppliers and stakeholders who have advised and supported us over the last year:

- |  |                             |                                |
|--|-----------------------------|--------------------------------|
| • Sarah Groth<br>(SG Balanced Solutions)     | • Beyond Bank               | • Adelaide Car Care            |
| • Clive Thompson and<br>Anna Booth (CoSolve) | • Community Business Bureau | • Fresh and Clean              |
| • Adam Thompson,<br>(Thompson Organisations) | • Maxxia                    | • Sugarman                     |
| • Natalie Wade                               | • Therapy Pro               | • EGM Partners                 |
| • Nexia Edwards Marshall                     | • Tquila ANZ                | • WINC                         |
| • Comunet                                    | • Salesforce                | • Pro AV Solutions             |
| • Intermain Pty Ltd                          | • Employment Hero           | • Xero                         |
| • Minter Ellison                             | • BDO                       | • Translating and Interpreting |
| • Fuller Communications                      | • Bespoke HR                | • Services                     |
| • Hancock Creative                           | • LeasePlan Australia       | • PyschMed                     |
| • Freerange Future                           | • KnightFrank               | • Randstad                     |
| • Blend Creative                             | • Le Cornu Investment       |                                |
|  | • Safe Place Training       |                                |
|  | • Aon insurance consultants |                                |
|  | • Tie Networks              |                                |





# Financial Summaries

## Notes to the Financial Annual Report information

Kudos Services is a member-controlled organisation that operates as a not-for-profit, meaning we carry out our mission with no shareholders receiving benefits or a profit motive for individual gain.

As the South Australian NDIS Partner in the Community for Early Childhood Early Intervention services we receive grant funding from the Federal Government for the services delivered under that agreement. Kudos also generates fee-for-service income from the delivery of our Therapy Services.

The following financial statements reflect both these income streams in the revenue section of the income statement. This income supports the expenses noted in the report: Employee Expenses, Property Expenses and Other Operational Expenses.

The 2020-21 year was our second full year of operations for Kudos Services and include the following highlights:

- Despite multiple COVID-19 shutdowns, revenue rose by 16.5% to \$13.2 million
- A substantial increase in employee costs associated with significant growth in members and staff rising from 116 total employees to 140 by the end of the financial year
- A significant increase in staff training and development – up by 107%, and
- The introduction of remuneration for the Kudos Board.

The depreciation line reflects the ongoing amortising of the costs incurred in establishing the service. In our first year, the funding received to support the set-up expenditure was brought to account as revenue and resulted in a significant surplus in year one. That surplus will now be written off as depreciation over a five-year period to June 2024 and is the primary reason that we are reporting a loss despite growth in revenue.

The net loss reported on the income statement of \$430,000 is in part a product of the large depreciation write down and a reflection on the difficult trading conditions associated with multiple COVID-19 lockdowns or periods of restrictions. It is important to note that our results this year did not benefit from the COVID-19 cash flow boost of \$100,000 received last year, nor did we benefit from the 10% loading on NDIS Fee for Service income the NDIA provided last year to support organisations in dealing with COVID-19.

The Statement of Financial Position reflects the assets of the service (that is, items owned and controlled by the business) less the liabilities of the service (items owed or obligations payable by the business). The assets less the liabilities make up the equity of the business and in the case of Kudos, despite the difficult trading conditions, our total equity stands at \$1.2 million.

## INCOME STATEMENT

2021  
\$

### Revenue

Grant Income	10,279,822
Fee for Service	2,879,446
	13,159,268
Interest Income	10,385
Other Income	19,930

**TOTAL REVENUE** 13,189,583

### Expenses

Employee Expenses	10,854,540
Agency and Contractor	542,839
Property Expenses	596,233
Audit Legal and consultancy	260,918
Administration expenses	424,583
Office Establishment Costs	27,586
Other Expenses	579,222
Office Establishment Costs	334,100

**TOTAL EXPENSES** 13,620,021

**NET SURPLUS** (430,438)

## STATEMENT OF FINANCIAL POSITION

2021  
\$

### CURRENT ASSETS

Cash & Cash Equivalents	3,058,500
Trade & other receivables	239,863
Other Assets	70,058
<b>Total Current Assets</b>	<b>3,368,421</b>

### NON-CURRENT ASSETS

Plant & Equipment	1,009,272
Right of use Asset	758,415
Intangible Assets	46,281
<b>Total Non Current Assets</b>	<b>1,813,968</b>

**TOTAL ASSETS** 5,182,389

### CURRENT LIABILITIES

Trade & other payables	701,405
Provisions	1,229,615
Contract Liabilities	1,148,450
Lease Liabilities	436,857
<b>Total Current Liabilities</b>	<b>3,516,327</b>

### NON-CURRENT LIABILITIES

Provisions	70,411
Lease Liabilities	391,350
<b>Total Non Current Liabilities</b>	<b>461,761</b>

**TOTAL LIABILITIES** 3,978,088

**NET ASSETS** 1,204,301

### EQUITY

Retained Surplus	1.204.301
<b>TOTAL EQUITY</b>	<b>1.204.301</b>

## STATEMENT OF CASHFLOWS

2021  
\$

### **CASHFLOW FROM OPERATING ACTIVITIES**

Receipt from clients and government	11,950,674
Payments to Suppliers and employees	(14,417,043)
Interest Received	10,385
Interest Paid	(48,822)
<b>Net Cash provided from operating activities</b>	<b>(2,504,806)</b>

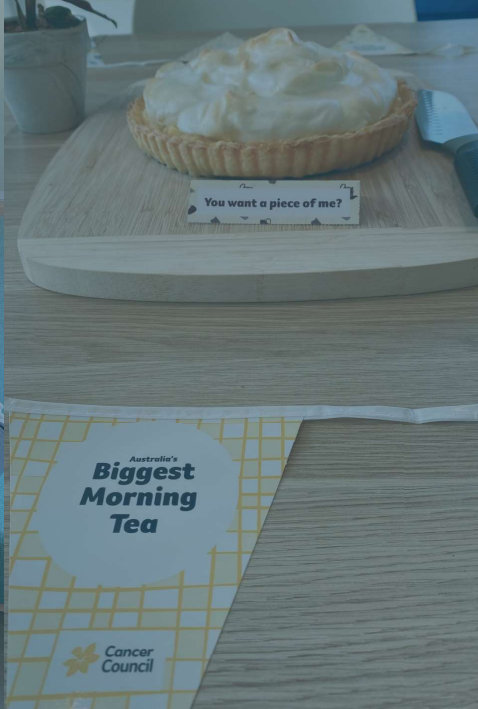
### **CASHFLOW FROM INVESTING ACTIVITIES**

Payment for property, plant and equipment	(18,965)
Repayment of Lease Liabilities	(371,596)
<b>Net Cash provided from investing activities</b>	<b>(390,561)</b>

**Cash & cash equivalents at beginning of the financial period** 5,953,867

**Cash & cash equivalents at end of the financial period** 3,058,500







**KÜDOS**

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