

Caringa Australia Limited (Formerly Caringa Enterprises Ltd)

57 250 634 865

Financial Statements

For the Year Ended 30 June 2018

Caringa Australia Limited

57 250 634 865

Contents

For the Year Ended 30 June 2018

| | Page |
|--|-------------|
| Financial Statements | |
| Directors' Report | 1 |
| Statement of Profit or Loss and Other Comprehensive Income | 5 |
| Statement of Financial Position | 6 |
| Statement of Changes in Equity | 7 |
| Statement of Cash Flows | 8 |
| Notes to the Financial Statements | 9 |
| Directors' Declaration | 21 |
| Independent Audit Report | 22 |

General information

The financial statements cover Caringa Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Caringa Australia Limited functional and presentation currency.

Caringa Australia Limited is a not-for-profit unlisted public company limited by guarantee.

On 3 May 2018 Caringa Australia Limited changed its registered name from Caringa Enterprises Ltd.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2018.
The directors have the power to amend and reissue the financial statements.

Directors' Report

30 June 2018

The directors present their report on Caringa Australia Limited for the financial year ended 30 June 2018

Directors

The names of the directors in office at any time during, or since the end of, the year (in no particular order) are

| Names | Position | Appointed/Resigned |
|------------------------|--------------------------------|-----------------------------|
| Collen Pritchard | Chair | Continuing |
| Stephen McKimm | Vice Chair | Continuing |
| Debbie Vlastaras | Director | Continuing |
| Kenn Payne | Director / Company Secretary | Continuing |
| Coralie Hall | Director | Continuing |
| Matthew Katon | Director | Appointed 26 September 2017 |
| Vince Castle | Chair to resignation date | 26 September 2017 |
| Robert Andrew Fletcher | Vice Chair to resignation date | 26 September 2017 |

Objectives

The Company's short term objectives are to continue to offer individualised services under the National Disability Insurance Scheme (NDIS) to children and adults that

- are flexible and responsive to need,
- develop life skills which promote independence, and,
- promote community inclusion for all NDIS participants

The Company's long term objectives are to

- maintain sustainability and fiscal responsibility in the provision of all services,
- strive for continuous improvement so as to offer the best possible outcomes for the children and adults we support, and
- retain all relevant and required accreditations, and maintain quality standards

Strategy for achieving the objectives

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

- offer creative new opportunities for the people we support that will enhance their social inclusion and independence,
- strive to attract and retain quality staff and volunteers who are committed to working with children and adults who are National Disability Insurance Scheme participants,
- ensure the organisation is always accountable and ethical in our behaviour and transparent in our actions,
- work in partnership with a wide range of community stakeholders,

Directors' Report

30 June 2018

Strategy for achieving the objectives

- support the rights of people with disability, and
- make decisions that align with the organisational objectives and strategic plan

Principal activities

The principal activity of Caringa Australia Limited during the financial year was the provision of services under the National Disability Insurance Scheme including but not limited to Supported Independent Living, short-term accommodation, employment supports (including Supported Employment), support coordination, core supports, plan management and supported holidays

No significant changes in the nature of the Company's activity occurred during the financial year

Performance measures

The following measures are used within the Company to monitor performance

- outcomes from ongoing reviews of the services implemented to meet the individual needs and wishes of people who use our services,
- results from the analysis of formal feedback questionnaires provided to all stakeholders,
- reports on the residential services from the community visitor,
- feedback from the Office of the Children's Guardian on the nature and quality of our children's services,
- outcomes from staff supervision and annual performance management reviews,
- monthly review of income and expenditure against budget,
- ratio of current assets to current liabilities,
- results from audit and management reports from external service and financial auditors

Members guarantee

Caringa Australia Limited is a company limited by guarantee. In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$430 (2017 \$410), based on 43 (2016 41) current ordinary members.

Directors' Report

30 June 2018

Information on directors

The names of each person who has been a director during the year and to the date of this report are

Colleen Pritchard

Qualifications

Retired Counsellor

Experience

Director 4 years

Stephen McKimm

Qualifications

Retired

Experience

Director 5 years

Debbie Vlastaras

Qualifications

Retail business manager

Experience

Director 7 years

Kenn Payne

Qualifications

Consultant

Experience

Director 6 years

Coralie Hall

Qualifications

Retired - Administrator

Experience

Director 3 years

Matthew Katon

Qualifications

Senior Financial Planner

Experience

1st year as director

Vince Castle

Qualifications

Cane farmer

Experience

Director 9 years - Resigned September 2017

Robert Andrew Fletcher

Qualifications

Surveyor

Experience

Director 9 years - Resigned September 2017

Directors' Report

30 June 2018

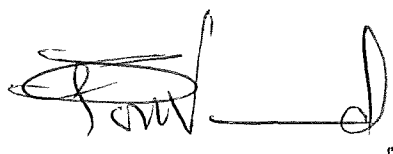
Meetings of directors

During the financial year, 9 general meetings of directors were held (excluding the AGM) Attendances by each director during the year were as follows

| | Directors' Meetings | |
|------------------------|----------------------------------|------------------------|
| | Number eligible to attend | Number attended |
| Collen Pritchard | 9 | 8 |
| Stephen McKimm | 9 | 9 |
| Debbie Vlastaras | 9 | 7 |
| Kenn Payne | 9 | 5 |
| Coralie Hall | 9 | 9 |
| Matthew Katon | 7 | 6 |
| Vince Castle | 2 | 2 |
| Robert Andrew Fletcher | 2 | - |

Signed in accordance with a resolution of the Board of Directors

Director



Collen Pritchard

Dated 28 August 2018

Caringa Australia Limited

57 250 634 865

Statement of Profit or Loss and Other Comprehensive Income**For the Year Ended 30 June 2018**

| | | 2018 | 2017 |
|--|------|-------------------|-------------------|
| | Note | \$ | \$ |
| Sales | 3 | 966,093 | 967,633 |
| Operating income | 3 | 6,874,131 | 468,223 |
| Grant income | 3 | 3,745,304 | 9,626,219 |
| Other income | 3 | 203,758 | 238,585 |
| | | 11,789,286 | 11,300,660 |
| Cost of goods sold | | (316,710) | (345,366) |
| Administration expenses | | (103,582) | (131,208) |
| Operating expenses | | (817,155) | (547,988) |
| Depreciation & amortisation expense | | (271,131) | (284,166) |
| Motor vehicle expenses | | (116,089) | (144,045) |
| Property expenses | | (225,098) | (321,260) |
| Client expenses | | (286,365) | (1,274,544) |
| Employment expenses | | (8,062,355) | (7,831,934) |
| Surplus for the year | | 1,590,801 | 420,149 |
| Other comprehensive income | | | |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 1,590,801 | 420,149 |

The accompanying notes form part of these financial statements

Caringa Australia Limited

57 250 634 865

Statement of Financial Position**As At 30 June 2018**

| | Note | 2018 \$ | 2017 \$ |
|-------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 3,752,239 | 2,416,484 |
| Trade and other receivables | 6 | 276,036 | 133,039 |
| Inventories | 7 | 118,799 | 84,997 |
| Other assets | 8 | 47,337 | 5,250 |
| TOTAL CURRENT ASSETS | | <u>4,194,411</u> | <u>2,639,770</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 4,268,712 | 4,443,312 |
| Intangible assets | 10 | - | 10,000 |
| TOTAL NON-CURRENT ASSETS | | <u>4,268,712</u> | <u>4,453,312</u> |
| TOTAL ASSETS | | <u><u>8,463,123</u></u> | <u><u>7,093,082</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 416,656 | 380,429 |
| Borrowings | 12 | 5,669 | 5,297 |
| Employee benefits | 14 | 833,698 | 850,387 |
| Other liabilities | 13 | 321,041 | 515,614 |
| TOTAL CURRENT LIABILITIES | | <u>1,577,064</u> | <u>1,751,727</u> |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 14 | 281,171 | 327,268 |
| TOTAL NON-CURRENT LIABILITIES | | <u>281,171</u> | <u>327,268</u> |
| TOTAL LIABILITIES | | <u>1,858,235</u> | <u>2,078,995</u> |
| NET ASSETS | | <u><u>6,604,888</u></u> | <u><u>5,014,087</u></u> |
| EQUITY | | | |
| Retained earnings | | <u>6,604,888</u> | <u>5,014,087</u> |
| TOTAL EQUITY | | <u><u>6,604,888</u></u> | <u><u>5,014,087</u></u> |

The accompanying notes form part of these financial statements

Caringa Australia Limited

57 250 634 865

Statement of Changes in Equity**For the Year Ended 30 June 2018****2018**

| | Retained Earnings | Total |
|--|------------------------------|------------------|
| | \$ | \$ |
| Balance at 1 July 2017 | 5,014,087 | 5,014,087 |
| Profit or loss attributable to members | 1,590,801 | 1,590,801 |
| Balance at 30 June 2018 | 6,604,888 | 6,604,888 |

2017

| | Retained Earnings | Total |
|--|------------------------------|------------------|
| | \$ | \$ |
| Balance at 1 July 2016 | 4,593,938 | 4,593,938 |
| Profit or loss attributable to members | 420,149 | 420,149 |
| Balance at 30 June 2017 | 5,014,087 | 5,014,087 |

Statement of Cash Flows

For the Year Ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operations | | 11,898,617 | 12,591,584 |
| Payments to suppliers and employees | | (10,469,796) | (11,424,986) |
| Interest received | | 40,987 | 27,696 |
| Net cash provided by (used in) operating activities | | <u>1,469,808</u> | <u>1,194,294</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Proceeds from sale of property, plant and equipment net | | - | 881,619 |
| Purchase of buildings, property plant & equipment | | (134,675) | (236,878) |
| Net cash used by investing activities | | <u>(134,675)</u> | <u>644,741</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES. | | | |
| Net movement of facility/borrowings | | 372 | (12,412) |
| Net cash used by financing activities | | <u>372</u> | <u>(12,412)</u> |
| Net increase (decrease) in cash and cash equivalents held | | 1,335,505 | 1,826,623 |
| Cash and cash equivalents at beginning of year | | <u>2,416,734</u> | <u>590,111</u> |
| Cash and cash equivalents at end of financial year | 5 | <u><u>3,752,239</u></u> | <u><u>2,416,734</u></u> |

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

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.

(a) Basis of Preparation

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

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(c) Income Tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax

(d) 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 current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within twelve 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 twelve months after the reporting period. All other assets are classified as non-current

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position

(f) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment

(g) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost as specified below

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable

Land and buildings

Land and buildings are measured using the cost model

Plant and equipment

Plant and equipment are measured using the cost model

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(g) Property, Plant and Equipment

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life

The depreciation rates used for each class of depreciable asset are shown below

| Fixed asset class | Depreciation rate |
|---------------------|-------------------|
| Buildings | 2.5% |
| Plant and Equipment | 5 - 40% |
| Motor Vehicles | 20% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) 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.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(j) Employee benefits

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Termination benefits

Termination benefits are those benefits paid to an employee as a result of either the entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recorded as a provision at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits, and
- When the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

(k) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(m) Leases

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

2 Critical Accounting Estimates and Judgments

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Revenue

| | 2018 | 2017 |
|---------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Sales | | |
| - Sales - Books & gifts | 163,603 | 153,256 |
| - Sales - Manufacture | 547,267 | 576,977 |
| - Sales - General | 255,223 | 237,400 |
| | <u>966,093</u> | <u>967,633</u> |
| Operating income | | |
| - NDIS income | 6,400,124 | - |
| - Brokerage support | 109,047 | 105,614 |
| - Board income | 325,312 | 323,855 |
| - Rent income | 24,931 | 38,754 |
| - Program services income | 14,717 | - |
| | <u>6,874,131</u> | <u>468,223</u> |
| Grant income | | |
| - Grants ADHC | 3,300,801 | 7,372,253 |
| - Grants DSS | 377,358 | 727,989 |
| - Other grants | 67,145 | - |
| - Consortium funding | - | 1,525,977 |
| | <u>3,745,304</u> | <u>9,626,219</u> |
| Other revenue | | |
| - Tea tree oil income | 32,713 | - |
| - Interest & dividends | 40,987 | 27,696 |
| - Other revenue | 130,058 | 210,889 |
| | <u>203,758</u> | <u>238,585</u> |
| Total Revenue | <u><u>11,789,286</u></u> | <u><u>11,300,660</u></u> |

4 Result for the Year

The result for the year includes the following specific expenses

Other expenses

Net loss on disposal of property,
plant and equipment

| | | |
|--|----------------------|-----------------------|
| | <u><u>38,821</u></u> | <u><u>122,855</u></u> |
|--|----------------------|-----------------------|

5 Cash and cash equivalents

| | | |
|--------------------------|-------------------------|-------------------------|
| Cash on hand | 800 | 1,250 |
| Cash at bank | 2,406,435 | 1,295,777 |
| Short-term bank deposits | 1,345,004 | 1,119,457 |
| | <u><u>3,752,239</u></u> | <u><u>2,416,484</u></u> |

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Trade and other receivables

| | 2018 | 2017 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 432,820 | 134,039 |
| Provision for impairment | (a) (162,592) | (1,000) |
| | 270,228 | 133,039 |
| Other receivables | 5,808 | - |
| | <u>276,036</u> | <u>133,039</u> |

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows

| | | |
|--|----------------|--------------|
| Balance at beginning of the year | 1,000 | 1,000 |
| Receivables written off during the year as uncollectable | (5,537) | (1,266) |
| Additional provisions recognised | 167,129 | 1,266 |
| Balance at end of the year | <u>162,592</u> | <u>1,000</u> |

7 Inventories

CURRENT
At cost
Stock on hand

| | | |
|--|----------------|---------------|
| | <u>118,799</u> | <u>84,997</u> |
|--|----------------|---------------|

8 Current assets other

CURRENT
Prepayments
Deposits & securities

| | | |
|--|---------------|--------------|
| | 43,337 | - |
| | 4,000 | 5,250 |
| | <u>47,337</u> | <u>5,250</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, plant and equipment

| | 2018 \$ | 2017 \$ |
|--|-------------------------|-------------------------|
| LAND AND BUILDINGS | | |
| Land | | |
| At cost | 786,899 | 791,166 |
| Buildings | | |
| At cost | 4,039,046 | 4,054,411 |
| Accumulated depreciation | (1,180,649) | (1,098,151) |
| | <u>2,858,397</u> | <u>2,956,260</u> |
| Total land and buildings | <u>3,645,296</u> | <u>3,747,426</u> |
| PLANT AND EQUIPMENT | | |
| Plant and equipment | | |
| At cost | 257,424 | 334,928 |
| Accumulated depreciation | (103,173) | (186,177) |
| | <u>154,251</u> | <u>148,751</u> |
| Furniture, fixtures and fittings | | |
| At cost | - | 46,022 |
| Accumulated depreciation | - | (37,612) |
| | <u>-</u> | <u>8,410</u> |
| Motor vehicles | | |
| At cost | 842,078 | 845,859 |
| Accumulated depreciation | (441,640) | (307,134) |
| | <u>400,438</u> | <u>538,725</u> |
| Leasehold Improvements | | |
| At cost | 68,727 | - |
| Total plant and equipment | <u>623,416</u> | <u>695,886</u> |
| Total property, plant and equipment | <u><u>4,268,712</u></u> | <u><u>4,443,312</u></u> |

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, plant and equipment

9 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

| | Land \$ | Buildings \$ | Plant and Equipment \$ | Furniture, Fixtures and Fittings \$ | Motor Vehicles \$ | Leasehold Improvement s \$ | Total \$ |
|---------------------------------------|----------------|------------------|------------------------------|--|-------------------------|-------------------------------------|------------------|
| Year ended 30 June 2018 | | | | | | | |
| Balance at the beginning of year | 791,166 | 2,956,260 | 148,751 | 8,410 | 538,725 | - | 4,443,312 |
| Additions | - | 22,191 | 43,757 | - | - | 68,727 | 134,675 |
| Disposals | (4,267) | (12,650) | (12,760) | (4,687) | (3,780) | - | (38,144) |
| Transfers | - | - | 2,816 | (2,816) | - | - | - |
| Depreciation expense | - | (107,404) | (28,313) | (907) | (134,507) | - | (271,131) |
| Balance at the end of the year | 786,899 | 2,858,397 | 154,251 | - | 400,438 | 68,727 | 4,268,712 |

Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Intangible Assets

| | 2018 | 2017 |
|----------|------|--------|
| | \$ | \$ |
| Goodwill | | |
| Cost | - | 10,000 |

11 Trade and other payables

CURRENT

| | | |
|------------------------------|----------------|----------------|
| Trade payables | 95,049 | 68,573 |
| Sundry payables | 14,546 | 2,099 |
| Other creditors and accruals | 307,061 | 309,757 |
| | 416,656 | 380,429 |

12 Borrowings

CURRENT

| | | |
|-----------------------------|-------|-------|
| Bank cards & line of credit | 5,669 | 5,297 |
|-----------------------------|-------|-------|

(a) Assets pledged as security

The bank loans (line of credit) are secured by first mortgages over some of the entity's land and buildings. There are no bank covenants attached to loans.

(b) Bank loan facility

There is an agreement with the Company's bankers Bendigo Bank, and the Company signed a letter of offer for a loan facility which commenced on 24 August 2015. The facility term is for a 20-year period.

The position of this facility as at 30 June 2018 is as follows:

(c) Bank loan facility

| | | |
|------------------------------|------------------|------------------|
| Total available facility | 1,689,495 | 1,841,465 |
| Amounts used | (5,669) | (5,297) |
| Total unused facility | 1,683,826 | 1,836,168 |

Notes to the Financial Statements

For the Year Ended 30 June 2018

13 Other liabilities

| | 2018 | 2017 |
|------------------|---------|---------|
| | \$ | \$ |
| CURRENT | | |
| Unexpended funds | 321,041 | 515,614 |

14 Employee Benefits

| | | |
|-------------------------|---------|---------|
| Current liabilities | | |
| Employee benefits | 833,698 | 850,387 |
| Non-current liabilities | | |
| Employee benefits | 281,171 | 327,268 |

15 Leasing Commitments

(a) Other expenditure commitments

| | | |
|-----------------------------------|---------|---------|
| Minimum payments | | |
| - not later than one year | 61,267 | 49,607 |
| - between one year and five years | 42,399 | 90,946 |
| | 103,666 | 140,553 |

The company has a non-cancelable contract for the provision of key software & printing support with terms remaining between 13 & 22 months

(b) Operating leases

| | | |
|--|---------|---------|
| Minimum lease payments under non-cancelable operating leases | | |
| - not later than one year | 107,363 | 60,547 |
| - between one year and five years | 138,617 | 121,244 |
| | 245,980 | 181,791 |

The company has a non-cancelable rental leases for the premises at Grafton Shopping World & Coffs Harbour City Centre Mall with remaining terms between 23 & 34 months

16 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$ 417,158 (2017 \$ 564,800)

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017 None)

Notes to the Financial Statements

For the Year Ended 30 June 2018

18 Related Party Transactions

Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

Transaction with related parties

During the current financial year end 30 June 2018 year ended Caringa Australia Limited had no related party transactions

In the previous financial year ended 30 June 2017 there were related party transactions with a Caringa director Stephen McKimm, who is a principal of McKimms Real Estate who were the agents involved in assisting Caringa sell its two properties at Wharf St & Weemala Drive. Commissions paid to McKimms Real Estate in the sale of the properties were \$13,860 & \$11,820 including GST respectively. The commissions paid were per sale agreements and on normal commercial terms and conditions no more favourable than those available to other parties.

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 16 Key Management Personnel Disclosures

19 Events After the Reporting Date

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 future financial years.

Directors' Declaration

In the directors' opinion

- (a) The financial statements and notes, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* including
 - (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*, and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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

On behalf of the directors

Director

A handwritten signature in black ink, appearing to read 'Collen Pritchard', with a long horizontal line extending to the right.

Collen Pritchard

Dated 28 August 2018

Caringa Australia Limited

57 250 634 865

Independent Audit Report to the members of Caringa Australia Limited**Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Caringa Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2018, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of 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 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and 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.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the directors report, (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 accordingly 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Caringa Australia Limited

57 250 634 865

Independent Audit Report to the members of Caringa Australia Limited**Responsibilities of Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the 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 Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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.
- 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.

Caringa Australia Limited

57 250 634 865

Independent Audit Report to the members of Caringa Australia Limited

- 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.



.....
Murray McDonald
Director Audit & Assurance
Moore Stephens - Audit (QLD & Northern NSW)

28 August 2018