Caringa Australia Limited

57 250 634 865

Financial Statements

For the Year Ended 30 June 2019

Caringa Australia Limited

57 250 634 865

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For the Year Ended 30 June 2019

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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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2019. The directors have the power to amend and reissue the financial statements.

Caringa Australia Limited

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Directors' Report

30 June 2019

The directors present their report on Caringa Australia Limited for the financial year ended 30 June 2019.

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 GAICD	Director / Company Secretary	Continuing
Coralie Hall	Director	Continuing
Matthew Katon MAICD	Director	Continuing
Tim White MAICD	Director	Appointed 16 October 2018

Objectives

The Company's short term objectives are to continue to:

- Improve the depth and quality of support services within the National Disability Insurance Scheme (NDIS);
- Support *'A Complete Life'* which is self-determined by clients and through participation within community and contribution within employment; and
- Promote choices for independent living in appropriate accommodation.

The Company's long term objectives are to:

- Maintain a sustainable and fiscally responsible Company that is a provider of choice for our quality services;
- Maintain a vibrant Caringa community comprising clients, workers and volunteers, which is embedded in the fabric of local life and community; and
- To continue broad engagement within our industry and our peers at local, State and National levels in order to inform and improve our professional practice, governance and decision making.

Directors' Report

30 June 2019

Strategy for achieving the objectives

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

- Caringa has a well-recognised and respected brand;
- Caringa has a professional culture that supports our clients and staff;
- Caringa will maintain and grow its customer base;
- Caringa has a sound governance framework; and
- Caringa aims to operate at a 5% net profit.

Principal activities

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

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

Performance measures

The Company measures its performance against industry benchmarks published by its Industry Peak, National Disability Services. The Directors and Senior Leadership team assess the Company's performance, achievements and financial performance against these benchmarks and against the Company's strategic objectives.

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 $440 (2018: $430), based on 44 (2018: 43) current ordinary members

Directors' Report
30 June 2019

Information on directors

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

Collen Pritchard	
Qualifications	Retired Counsellor, NSW Health
Experience	Director 5 years
Stephen McKimm	
Qualifications	Retired Director and Principal, McKimms Real Estate
Experience	Director 6 years
Debbie Vlastaras	
Qualifications	Small Business Owner
Experience	Director 8 years
Kenn Payne GAICD	
Qualifications	Consultant and CEO, Gurehlgam Corporation
Experience	Director 7 years
Coralie Hall	
Qualifications	Retired Administrator, NSW Roads & Maritime Services
Experience	Director 4 years
Matthew Katon MAICD	
Qualifications	Senior Financial Planner, Pentagon Wealth
Experience	Director 2 years
Tim White MAICD	
Qualifications	Chartered Accountant, White & Associates Accountants
Experience	1st year as director

Directors' Report
30 June 2019

Meetings of directors

During the financial year, 11 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	11	11
Stephen McKimm	11	11
Debbie Vlastaras	11	9
Kenn Payne GAICD	11	10
Coralie Hall	11	11
Matthew Katon MAICD	11	8
Tim White MAICD	8	8

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

Director:...

Stephen McKimm

Dated: 27 August 2019

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Sales	3	**916,987**	966,093
Operating income	3	**10,010,722**	6,874,131
Grant income	3	**639,535**	3,745,304
Other income	3	**476,092**	203,758
		12,043,336	11,789,286
Cost of goods sold		**(317,963)**	(316,710)
Administration expenses		**(105,345)**	(103,582)
Operating expenses		**(887,034)**	(817,155)
Depreciation & amortisation expense		**(315,443)**	(271,131)
Motor vehicle expenses		**(169,824)**	(116,089)
Property expenses		**(209,597)**	(225,098)
Client expenses		**-**	(286,365)
Employment expenses		**(9,351,679)**	(8,062,355)
Surplus for the year		**686,451**	1,590,801
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**686,451**	1,590,801

Caringa Australia Limited

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Statement of Financial Position

As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**4,616,245**	3,752,239
Trade and other receivables	6	**217,290**	276,036
Inventories	7	**108,680**	118,799
Other assets	8	**29,661**	47,337
TOTAL CURRENT ASSETS		**4,971,876**	4,194,411
NON-CURRENT ASSETS			
Property, plant and equipment	9	**3,963,026**	4,268,712
TOTAL NON-CURRENT ASSETS		**3,963,026**	4,268,712
TOTAL ASSETS		**8,934,902**	8,463,123
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**449,536**	416,656
Borrowings	11	**874**	5,669
Employee benefits	13	**898,441**	833,698
Other liabilities	12	**12,475**	321,041
TOTAL CURRENT LIABILITIES		**1,361,326**	1,577,064
NON-CURRENT LIABILITIES			
Employee benefits	13	**282,237**	281,171
TOTAL NON-CURRENT LIABILITIES		**282,237**	281,171
TOTAL LIABILITIES		**1,643,563**	1,858,235
NET ASSETS		**7,291,339**	6,604,888
EQUITY			
Retained earnings		**7,291,339**	6,604,888
TOTAL EQUITY		**7,291,339**	6,604,888

The accompanying notes form part of these financial statements.

Caringa Australia Limited

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Statement of Changes in Equity
For the Year Ended 30 June 2019

2019

	Retained Earnings $	Total $
Balance at 1 July 2018	**6,604,888**	**6,604,888**
Profit or loss attributable to members	**686,451**	**686,451**
Balance at 30 June 2019	**7,291,339**	**7,291,339**

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

The accompanying notes form part of these financial statements.

Caringa Australia Limited

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Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from operations		**11,667,878**	11,898,617
Payments to suppliers and employees		**(10,996,850)**	(10,469,796)
Interest received		**58,603**	40,987
Net cash provided by (used in) operating activities		**729,631**	1,469,808
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment net		**365,288**	-
Purchase of buildings, property plant & equipment		**(226,118)**	(134,675)
Net cash used by investing activities		**139,170**	(134,675)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net movement of facility/borrowings		**(4,795)**	372
Net cash used by financing activities		**(4,795)**	372
Net increase (decrease) in cash and cash equivalents held		**864,006**	1,335,505
Cash and cash equivalents at beginning of year		**3,752,239**	2,416,734
Cash and cash equivalents at end of financial year	5	**4,616,245**	3,752,239

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2019

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) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note for details of the changes due to standards adopted.

(c) 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).

Revenue from contracts with customers

For current year the company has assessed there are no changes to its revenue recognition due to the adoption of AASB 15.

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue from contracts with customers

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Servicing NDIS participants

Revenue is recognised on transfer of goods or services to the client 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. Payments are received in arrears after the care has already been provided, and there is no specific ongoing performance obligation connected to the revenue received. A receivable in relation to these services is recognised when a bill or claim has been invoiced or submitted, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Sales of manufactured goods

The manufacturing division of the Company generates revenue from building and selling timber products. Sales are on demand with no long term contracts.

Revenue is recognised upon transfer of control to the customer upon completion and collection. The sale is transferred to receivables when the entitlement to payment becomes unconditional.

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 2019

1 Summary of Significant Accounting Policies

(c) Revenue and other income

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(d) 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

(e) 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.

(f) 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.

(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.

1 Summary of Significant Accounting Policies

(g) Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured using the cost model.

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) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

- amortised cost
- fair value through profit or loss - FVTPL

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

Notes to the Financial Statements
For the Year Ended 30 June 2019

1 **Summary of Significant Accounting Policies**

(h) **Financial instruments**

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

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

The Company uses the presumption that an asset which is more than 90 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

1 Summary of Significant Accounting Policies

(h) Financial instruments

Financial assets

Trade receivables

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

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

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

(i) 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.

(j) 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.

(k) 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 2019

1 Summary of Significant Accounting Policies

(k) 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.

(l) 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.

(m) 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.

1 Summary of Significant Accounting Policies

(n) 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.

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.

(o) 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 2019

3 Revenue

	2019	2018
	$	$
Sales		
- Sales - Books & gifts	**123,209**	163,603
- Sales - Manufacture	**621,639**	547,267
- Sales - General	**172,139**	255,223
	916,987	966,093
Operating income		
- NDIS income	**9,286,052**	6,400,124
- Brokerage support	**292,265**	109,047
- Board income	**220,315**	325,312
- Rent income	**205,658**	24,931
- Program services income	**6,432**	14,717
	10,010,722	6,874,131
Grant income		
- Grants ADHC	**20,023**	3,300,801
- Grants DSS	**179,623**	377,358
- Grants DOH	**439,889**	67,145
	639,535	3,745,304
Other revenue		
- Tea tree oil income	**33,353**	32,713
- Interest & dividends	**58,603**	40,987
- Gain on disposal of assets	**148,927**	-
- Salary subsidies	**93,097**	-
- Other revenue	**142,112**	130,058
	476,092	203,758
Total Revenue	**12,043,336**	11,789,286

4 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
Net loss on disposal of property, plant and equipment	-	38,821

5 Cash and cash equivalents

	2019	2018
Cash on hand	**870**	800
Cash at bank	**3,513,948**	2,406,435
Short-term bank deposits	**1,101,427**	1,345,004
	4,616,245	3,752,239

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Trade and other receivables

	2019	2018
	$	$
CURRENT		
Trade receivables	229,392	432,820
Allowance for expected credit loss	(11,374)	(162,592)
	218,018	270,228
Other receivables	(728)	5,808
	217,290	276,036

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

	2019	2018
Balance at beginning of the year (calculated in accordance with AASB 139)	162,592	1,000
Additional impairment loss recognised	18,031	167,129
Amounts written off as uncollectable		
Directly to P&L	-	(5,537)
Unused amounts reversed	(169,249)	-
Balance at end of the year	11,374	162,592

7 Inventories

	2019	2018
CURRENT		
At cost:		
Stock on hand	108,680	118,799

8 Current assets other

	2019	2018
CURRENT		
Prepayments	19,423	43,337
Deposits & securities	10,238	4,000
	29,661	47,337

Notes to the Financial Statements
For the Year Ended 30 June 2019

9 Property, plant and equipment

	2019	2018
	$	$
LAND AND BUILDINGS		
Land		
At cost	**718,899**	786,899
Buildings		
At cost	**3,821,440**	4,039,046
Accumulated depreciation	**(1,210,940)**	(1,180,649)
	2,610,500	2,858,397
Total land and buildings	**3,329,399**	3,645,296
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**313,689**	257,424
Accumulated depreciation	**(139,214)**	(103,173)
	174,475	154,251
Motor vehicles		
At cost	**967,547**	842,078
Accumulated depreciation	**(552,130)**	(441,640)
	415,417	400,438
Leasehold Improvements		
At cost	**68,727**	68,727
Accumulated amortisation	**(24,992)**	-
Total improvements	**43,735**	68,727
Total plant and equipment	**633,627**	623,416
Total property, plant and equipment	**3,963,026**	4,268,712

Notes to the Financial Statements

For the Year Ended 30 June 2019

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	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$	$
Year ended 30 June 2019						
Balance at the beginning of year	786,899	2,858,397	154,251	400,438	68,727	4,268,712
Additions	-	-	56,265	169,854	-	226,119
Disposals	(68,000)	(148,362)	-	-	-	(216,362)
Depreciation expense	-	(99,535)	(36,041)	(154,875)	(24,992)	(315,443)
Balance at the end of the year	718,899	2,610,500	174,475	415,417	43,735	3,963,026

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Trade and other payables

	2019 $	2018 $
CURRENT		
Trade payables	**67,834**	88,632
Other sundry payables	**81,196**	56,621
Accrued expenses	**300,506**	271,403
	449,536	416,656

11 Borrowings

	2019 $	2018 $
Bank cards & line of credit	**874**	5,669

(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 2019 is as follows:

(c) Bank loan facility

	2019 $	2018 $
Total available facility	**1,240,988**	1,689,495
Amounts used	**(874)**	(5,669)
Total unused facility	**1,240,114**	1,683,826

Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Other liabilities

	2019 $	2018 $
CURRENT		
Unexpended funds	**12,475**	321,041

13 Employee Benefits

	2019 $	2018 $
Current liabilities		
Employee benefits	**898,441**	833,698
Non-current liabilities		
Employee benefits	**282,237**	281,171

14 Leasing Commitments

(a) Other expenditure commitments

	2019 $	2018 $
Minimum payments:		
- not later than one year	**42,399**	61,267
- between one year and five years	**-**	42,399
	42,399	103,666

The company has a non-cancelable contract for the provision of key software & printing support with terms remaining between 1 & 10 months.

(b) Operating leases

	2019 $	2018 $
- not later than one year	**103,881**	107,363
- between one year and five years	**34,736**	138,617
	138,617	245,980

The company has a non-cancelable rental leases for the premises at Grafton Shopping World & Coffs Harbour City Centre Mall with remaining terms between 11 & 22 months.

15 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is $ 439,858 (2018: $ 417,158).

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 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 2019 year ended Caringa Australia Limited had no related party transactions.

In the previous financial year ended 30 June 2018 there were no related party transactions.

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 15: Key Management Personnel Disclosures.

18 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.

Caringa Australia Limited

57 250 634 865

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 2019 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 ....

Stephen McKimm

Dated 27 August 2019

MOORE STEPHENS

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CARINGA AUSTRALIA LTD

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 2019, 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 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced *Charities and Not-for-profits Commission Regulation 2013*. Disclosure Requirements and Division 60 of the *Australian*

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.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CARINGA AUSTRALIA LTD

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.

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.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CARINGA AUSTRALIA LTD

- 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.

- 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.

Moore Stephens

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

27 August 2019

Moore Stephens
Chartered Accountants