Caringa Australia Limited

57 250 634 865

Financial Statements

For the Year Ended 30 June 2021

Caringa Australia Limited

57 250 634 865

Contents

For the Year Ended 30 June 2021

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 25 August 2021. The directors have the power to amend and reissue the financial statements.

Directors' Report
30 June 2021

The directors present their report on Caringa Australia Limited for the financial year ended 30 June 2021.

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
Timothy White MAICD	Chair	Continuing
Matthew Katon MAICD	Vice Chair	Continuing
Debbie Vlastaras	Director	Continuing
Phil Elliott	Director	Continuing
Katrina Austen	Director	Continuing
Marilyn Brien	Director	Appointed August 2020
Geraldine Gallagher	Director	Appointed October 2020

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);
- Improve quality and variety of housing options for people with disability;
- 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.
- Provide a support environment for people with disability, which is free from violence, abuse, neglect and exploitation.

The Company's long term objectives are to:

- Maintain a support environment for people with disability, which is free from violence, abuse, neglect and exploitation.
- Maintain a sustainable and fiscally responsible Company that is a provider of choice for our quality services;
- Provide expanded opportunities for participation in employment for people with disability through supports and a variety of offerings including social enterprise.
- 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.

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 surplus to support a culture of client choice and control, continuous improvement in service delivery and improved/expanded housing options and facilities.

Principal activities

The principal activity of Caringa Australia Limited during the financial year was the provision of services within 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, allied health services and capacity building.

In addition to its core activities, Caringa Australia Limited was focused on client and worker health and wellbeing during the continuing Covid19 pandemic though acting in a timely manner on all government health advice, effective communication, the support of flexible service delivery options for clients, working from home arrangements (where practical and possible) for employees and the promotion of the Employee Assistance Program Mentor Services.

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 Executive Leadership assess the Company’s performance, achievements and financial performance against these benchmarks and against the Company’s strategic objectives. The preliminary findings and information from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (DRC) have been a significant driver and guide for Caringa Australia Limited this past year as the company reviews and realigns its practices in line with guidance expressed by the DRC, by community expectations and by examples of good practice.

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 $300 (2020: $270), based on 30 (2020: 27) current ordinary members

Directors' Report
30 June 2021

Information on directors

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

Timothy White MAICD	
Qualifications and Experience	Chartered Accountant, White & Associates Accountants Director 2 years
Matthew Katon MAICD	
Qualifications and Experience	Senior Financial Planner, Pentagon Wealth Director 3 years
Debbie Vlastaras	
Qualifications and Experience	Small Business Owner Director 10 years
Phil Elliott	
Qualifications and Experience	Regional Manager, BT Financial Group. Bachelor of Engineering. Diploma of Financial Management. Director 2 years
Katrina Austen	
Qualifications and Experience	Lecturer, Southern Cross University. Masters of Health Science, Grad Cert, Health Science Bachelor of Nursing, Bachelor of Health Science. Director 2 years
Marilyn Brien	
Qualifications and Experience	Professional Mentor Diploma of Leadership and Management. Ran a successful Leadership business for 22 years; currently running a Mentoring business. Director 1 year
Geraldine Gallagher	
Qualifications and Experience	Solicitor/Director – Gallagher Solicitors & Conveyancers Bachelor of Arts, major in HR and Industrial Relations Bachelor of Laws Director 1 year

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Directors' Report
30 June 2021

Meetings of directors

During the financial year, 8 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**
Timothy White MAICD	8	8
Matthew Katon MAICD	8	7
Debbie Vlastaras	8	7
Phil Elliott	8	7
Katrina Austen	8	8
Marilyn Brien	7	7
Geraldine Gallagher	5	3

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

Chair: ....
Timothy White

Dated: 25 August 2021

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Sales revenue	3	**857,627**	816,147
Operating income	3	**591,861**	458,468
Commonwealth government revenue (including grants)	3	**14,993,141**	14,145,723
Other income	3	**642,085**	470,964
		17,084,714	15,891,302
Cost of goods sold		**(219,768)**	(219,798)
Administration expenses		**(145,196)**	(405,151)
Operating expenses		**(1,042,543)**	(1,038,483)
Depreciation & amortisation expense		**(490,944)**	(368,606)
Motor vehicle expenses		**(184,486)**	(161,637)
Property expenses		**(392,458)**	(261,381)
Employment expenses		**(13,783,781)**	(11,671,641)
Surplus for the year		**825,538**	1,764,605
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**825,538**	1,764,605

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**1,853,770**	2,475,341
Trade and other receivables	6	**209,323**	402,496
Inventories	7	**64,031**	97,436
Other financial assets	8	**2,926,785**	2,705,406
Other assets	9	**5,250**	10,980
TOTAL CURRENT ASSETS		**5,059,159**	5,691,659
NON-CURRENT ASSETS			
Property, plant and equipment	10	**8,271,934**	7,555,358
Right-of-use asset	10	**130,534**	34,136
TOTAL NON-CURRENT ASSETS		**8,402,468**	7,589,494
TOTAL ASSETS		**13,461,627**	13,281,153
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**573,189**	519,380
Borrowings	12	**56,656**	56,863
Lease liabilities	13	**47,419**	34,923
Employee benefits	14	**1,394,575**	1,073,176
Other liabilities	15	**131,311**	1,239,709
TOTAL CURRENT LIABILITIES		**2,203,150**	2,924,051
NON-CURRENT LIABILITIES			
Borrowings	12	**901,388**	955,112
Employee benefits	14	**392,464**	346,046
Lease liabilities	13	**83,143**	-
TOTAL NON-CURRENT LIABILITIES		**1,376,995**	1,301,158
TOTAL LIABILITIES		**3,580,145**	4,225,209
NET ASSETS		**9,881,482**	9,055,944
EQUITY			
Retained earnings		**9,881,482**	9,055,944
TOTAL EQUITY		**9,881,482**	9,055,944

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings	Total
	$	$
Balance at 1 July 2020	**9,055,944**	**9,055,944**
Profit or loss attributable to members	**825,538**	**825,538**
Balance at 30 June 2021	**9,881,482**	**9,881,482**

2020

	Retained Earnings	Total
	$	$
Balance at 1 July 2019	7,291,339	7,291,339
Profit or loss attributable to members	1,764,605	1,764,605
Balance at 30 June 2020	9,055,944	9,055,944

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Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from government sources		**14,131,311**	15,287,906
Cash receipts in course of operations		**1,857,473**	1,534,181
Payments to suppliers and employees		**(15,412,894)**	(13,251,615)
Interest paid		**(28,128)**	(5,371)
Interest received		**3,241**	31,544
Net cash provided by (used in) operating activities		**551,003**	3,596,645
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment net		**2,501**	107,744
Purchase of buildings, property plant & equipment		**(1,131,711)**	(4,053,838)
Proceeds from disposals of investments		**1,411,997**	73,756
Purchase of financial assets		**(1,354,668)**	(2,911,235)
Net cash used by investing activities		**(1,071,881)**	(6,783,573)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**-**	2,037,742
Payment of borrowings		**(53,932)**	(991,718)
Principal elements of lease payments		**(46,761)**	-
Net cash used by financing activities		**(100,693)**	1,046,024
Net increase (decrease) in cash and cash equivalents held		**(621,571)**	(2,140,904)
Cash and cash equivalents at beginning of year		**2,475,341**	4,616,245
Cash and cash equivalents at end of financial year	5	**1,853,770**	2,475,341

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(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

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

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

1 Summary of Significant Accounting Policies

(c) Revenue and other income

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.

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.

1 Summary of Significant Accounting Policies

(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) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

1 Summary of Significant Accounting Policies

(g) Leases

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) 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.

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 asset's 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.

1 Summary of Significant Accounting Policies

(i) 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.

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.

1 Summary of Significant Accounting Policies

(i) Financial instruments

Financial assets

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.

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.

(j) 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.

1 Summary of Significant Accounting Policies

(k) 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.

(l) 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.

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.

(m) 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.

1 Summary of Significant Accounting Policies

(n) 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.

(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 2021

3 Revenue and Other Income

	2021 $	2020 $
Sales Revenue		
- Garden produce	**5,524**	-
- Manufacture	**609,097**	594,530
- Lawn mowing	**243,006**	221,617
	857,627	816,147
Operating Income		
- Transport income	**12,000**	9,580
- Board income	**207,840**	217,200
- Rent income	**372,021**	231,688
	591,861	458,468
Commonwealth Government Revenue (including grants)		
- NDIS income	**14,612,754**	13,647,194
- Department of Social Services - Grant	**144,528**	60,454
- Department of Health - Grant	**235,859**	438,075
	14,993,141	14,145,723
Total Revenue	**16,442,629**	15,420,338
Other Income		
- Gain on disposal of assets	**2,307**	122,736
- Gain on sale of financial assets	**14,516**	-
- Gain on reversal of impairment losses	**256,000**	-
	272,823	122,736
- Tea tree oil income	**27,270**	13,287
- Interest and dividends	**97,195**	81,715
- Salary subsidies	**27,794**	34,484
- Government Subsidy - Cash Flow Boost	**50,000**	50,000
- Other income	**167,003**	168,742
	642,085	470,964

4 Result for the Year - The result for the year includes the following specific expenses

Superannuation	**1,083,483**	929,807

5 Cash and cash equivalents

Cash on hand	**(7,042)**	1,064
Cash at bank	**857,994**	973,864
Short-term bank deposits	**1,002,818**	1,500,413
	1,853,770	2,475,341

6 Trade and other receivables

	2021 $	2020 $
CURRENT		
Trade receivables	**201,781**	298,846
Allowance for expected credit loss	**(7,996)**	(61,391)
	193,785	237,455
Other receivables	**15,538**	165,041
	209,323	402,496

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

	2021 $	2020 $
Balance at beginning of the year	**61,391**	11,374
Movement through provision	**(53,395)**	50,017
Balance at end of the year	**7,996**	61,391

7 Inventories

	2021 $	2020 $
CURRENT		
At cost:		
Stock on hand	**64,031**	97,436

8 Other Financial Assets

Financial assets at fair value through profit or loss

	2021 $	2020 $
CURRENT		
Other financial asset	**2,926,785**	2,961,406
Held-for-trading (impairment)	**-**	(256,000)
	2,926,785	2,705,406

9 Current assets other

	2021 $	2020 $
CURRENT		
Prepayments	**1,500**	7,230
Deposits & securities	**3,750**	3,750
	5,250	10,980

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Property, plant and equipment

	2021 $	2020 $
LAND AND BUILDINGS		
Land		
At cost	**1,697,899**	1,492,899
Buildings		
At cost	**7,255,910**	6,615,984
Accumulated depreciation	**(1,482,806)**	(1,314,728)
	5,773,104	5,301,256
Total land and buildings	**7,471,003**	6,794,155
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**654,143**	435,232
Accumulated depreciation	**(220,709)**	(155,815)
	433,434	279,417
Right-of-Use - Premises Lease		
Opening balance	**142,401**	79,651
Accumulated depreciation	**(11,867)**	(45,515)
Total leased premises	**130,534**	34,136
Motor vehicles		
At cost	**1,152,324**	1,063,825
Accumulated depreciation	**(784,827)**	(600,783)
	367,497	463,042
Leasehold Improvements		
At cost	**-**	68,727
Accumulated amortisation	**-**	(49,983)
Total improvements	**-**	18,744
Total plant and equipment	**931,465**	795,339
Total property, plant and equipment	**8,402,468**	7,589,494

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 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	Right of Use Assets	Motor Vehicles	Leasehold Improvements	Total
	$	$	$	$	$	$	$
Year ended 30 June 2021							
Balance at the beginning of year	1,492,899	5,301,256	279,417	34,136	463,042	18,744	7,589,494
Additions	205,000	639,926	225,142	142,401	91,641	-	1,304,110
Disposals	-	-	-	-	(192)	-	(192)
Depreciation expense	-	(168,078)	(71,125)	(46,003)	(186,994)	(18,744)	(490,944)
Balance at the end of the year	1,697,899	5,773,104	433,434	130,534	367,497	-	8,402,468

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Trade and other payables

	2021	2020
	$	$
CURRENT		
Trade payables	**54,582**	111,681
Other sundry payables	**139,108**	118,509
Accrued expenses	**379,499**	289,190
	573,189	519,380

12 Borrowings

	2021	2020
CURRENT		
Bank loans	**56,656**	56,863
NON-CURRENT		
Bank loans	**901,388**	955,112
Total borrowings	**958,044**	1,011,975

(a) Assets pledged as security

The bank loans (Including 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

The loans are structured with facility term 5y, but with amortisation plan over 15y and balloon repayment at the end of year 5

- Loan 21369749 CS01 initial amount $1,000,000 residual balance in 48 months $715,772
- Loan 21369749 CS02 initial amount $1,000,000 residual balance in 48 months $712,069
- Number of monthly repayments remaining are 170 on the residential mortgage loan 21369749 6304

The position of this facility as at 30 June 2021 is as follows:

	2021	2020
Total available facility	**2,896,876**	3,131,741
Amounts used	**(958,045)**	(1,011,975)
Total unused facility	**1,938,831**	2,119,766

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Lease Liabilities

	2021	2020
	$	$
CURRENT		
Lease liabilities	**47,419**	34,923
NON-CURRENT		
Lease liabilities	**83,143**	-

14 Employee Benefits

	2021	2020
Current liabilities		
Employee benefits	**1,394,575**	1,073,176
Non-current liabilities		
Employee benefits	**392,464**	346,046

15 Other liabilities

	2021	2020
CURRENT		
Commonwealth government		
Department of Health - Unspent funds	**131,311**	119,308
Department of Social Services - Unspent funds	**-**	94,570
NDIS - Funds in advance	**-**	1,025,831
	131,311	1,239,709

16 Capital and Leasing Commitments

Contracted Commitments

	2021	2020
144 Fitzroy Street Grafton		
Fit out & security of new office building	**-**	78,565

17 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is $ 642,772 (2020: $ 466,322).

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

19 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.

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 17: Key Management Personnel Disclosures.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transaction with related parties:

Rachel Choy's (CEO) partner was employed by Caringa Australia Limited, and also was used for photographic services by the entity. Transactions were in accordance with the company's policies, and were no more favourable than other participants. Given the personal nature of transactions they have not been disclosed here. If required, members can obtain full details of transactions made during any financial year from management of Caringa Australia Limited.

In the previous financial year ended 30 June 2020 there were no related party transactions.

20 COVID-19 Impact

As at balance date the Coronavirus (COVID-19) pandemic continues to impact communities and businesses.This pandemic has had an impact on the entity in the year 2021, with changes to processes and policies, as well as certain income streams, and expenses.

The members of the Board together with management have evaluated the impact of the outbreak of Coronavirus since the end of the financial year on the entity in regards to economic volatility and other associated events. As a provider of an essential service Caringa Australia Ltd continues to assess the ongoing impact of the event to be minimal in respect of revenue and going concern aspects. The Board have concluded though that, due to the rapid and ongoing changes, a reasonable estimate of the full extent of the impact cannot be made at this time.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could 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 2021 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.

Chair: ....

Timothy White

Dated 25 August 2021
Grafton

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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 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 2021 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 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.

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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pd. This description forms part of our auditor's report.

....	....
Murray McDonald Director, Audit & Assurance	Moore Australia Audit (QLD/NNSW) Chartered Accountants

25 August 2021

Brisbane