

**CARERS ACT LIMITED**

ABN 99 732 929 957

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

**Directors' report**  
**For the year ended 30 June 2020**

The Directors present their report together with the financial report of Carers ACT Limited for the year ended 30 June 2020.

**DIRECTORS**

The directors of the company at any time during the financial year are:

<b>Name and Title</b>	<b>Experience, special responsibilities and occupation*</b>
Richard Bialkowski, Non-Executive Chairman	<ul style="list-style-type: none"> <li>• Extensive experience as a non-executive director, CEO and company secretary of a broad range of not for profit ACT and national organisations covering primary health care, community aged care and disability services, and social assistance services.</li> <li>• Richard is a Fellow of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, and a Chartered Governance Professional.</li> <li>• Member of the Board since November 2007 and Board Chair since February 2012.</li> </ul>
Thilini Perera, Non-Executive Director	<ul style="list-style-type: none"> <li>• Thilini is an experienced Executive Leader and Corporate Governance professional. She is currently the Company Secretary and Executive Director of Strategy and Stakeholder Relations at Lifeline Australia Ltd. In her role at Lifeline Australia, Thilini oversees all matters pertaining to corporate governance, strategy implementation, stakeholder relations, member engagement, public policy and evidence-led advocacy.</li> <li>• Thilini is a legal practitioner of the ACT Supreme Court and a graduate of the Australian Institute of Company Directors.</li> <li>• Appointed 7 July 2017</li> </ul>
Pui Cheung, Non-Executive Director	<ul style="list-style-type: none"> <li>• Pui is a Fellow Certified Practising Accountant and a Graduate member of the Australian Institute of Company Directors. She has a long career in financial management having worked extensively in commerce and the public sector and has been a non-executive director of several not-for-profit organisations since 2016.</li> <li>• Appointed 30 January 2018</li> </ul>
Stephen Sant, Non-Executive Director	<ul style="list-style-type: none"> <li>• Steve has been employed in the health industry for more than 39 years and has extensive experience in all areas. He has worked in both State and Federal government and the private and not-for-profit sector. His appointments include CEO of Parkinson's Australia, Company Secretary and Network Manager of the Australian Medicare Local Alliance, CEO of ACT Medicare Local, CEO of the Rural Doctors Association of Australia and CEO of Health Purchasing Victoria. Steve has also served on a number of Boards as non-executive director.</li> <li>• Appointed: 27 November 2018</li> </ul>
Nick Debere, Non-Executive Director	<ul style="list-style-type: none"> <li>• Nick is a Management Consultant specialising in human services and clients include some of the largest private, public and not-for-profit organisations within the sector. Working with Boards and CEO's his main areas of focus include strategy, advocacy, governance and performance. He has been invited onto Ministerial panels and is experienced in working closely with both State and Federal Governments to influence policy and advocate best practice principles informed by the sector.</li> <li>• Appointed November 2019</li> </ul>
Ann Smith Non-Executive Director	<ul style="list-style-type: none"> <li>• Ann is currently working at a senior executive level with Department of Health supporting the Covid Aged Care response and the department's response to the Aged Care Royal Commission. In the Public Service, Ms. Smith has worked at the senior executive level with the Fair Work Ombudsman, the then Department of Employment and Workplace Relations and the Family Court of Australia. Prior to the Public Service, Ms. Smith was Executive Director for two private hospitals in Melbourne. These roles followed her work in Health in education, quality management and nursing.</li> <li>• Appointed November 2019</li> </ul>

**Directors' report**  
**For the year ended 30 June 2020**

Michelle McCormack, Non-Executive Director	<ul style="list-style-type: none"> <li>• Michelle has experience in an executive role and governance roles in the Not for Profit sector and is a member of AICD.</li> <li>• Michelle has a keen interest in Carer issues.</li> <li>• Appointed November 2019</li> </ul>
Antony Stinziani, Non-Executive Director	<ul style="list-style-type: none"> <li>• Antony has more than 25 years of experience in ICT and more recently as a CIO responsible for leadership of strategy and digital transformation across numerous government agencies.</li> <li>• Antony is a member of the AICD.</li> <li>• He has a keen interest in Carers' issues through personal experience with family and close friends.</li> <li>• Antony has been on the Board since 2013.</li> <li>• Resigned 29 April 2020</li> </ul>
Bruce Mackay, Non-Executive Director	<ul style="list-style-type: none"> <li>• Bruce has worked in marketing and advertising for his entire professional career and headed Canberra's largest Advertising Agency for over 20 years. Bruce provided invaluable marketing communication advice to the Board.</li> <li>• Bruce has been on the Board since 2007, with a short break in 2019, re-joining again in March before his resignation at the November AGM.</li> <li>• Resigned 31 December 2018</li> <li>• Reappointed 6 March 2019</li> <li>• Resigned 14 November 2019</li> </ul>

\* Board appointments include Carers ACT as an association and a company limited by guarantee.

**Directors' report**  
**For the year ended 30 June 2020**

**COMPANY SECRETARY**

Michele Galvin appointed 20 October 2015

**DIRECTORS MEETINGS**

The number of meetings attended by each Director during the time the director held office during the year ended 30 June 2020 was:

<b>DIRECTORS MEETINGS</b>		
<b>Name</b>	<b>Attended</b>	<b>Eligible to attend</b>
Richard Bialkowski	8	8
Thilini Perera	8	8
Pui Cheung	8	8
Stephen Sant	8	8
Nick Debere	5	5
Ann Smith	5	5
Michelle McCormack	4	5
Antony Stinziani Resigned 29 April 2020	5	6
Bruce Mackay Resigned 31 December 2018 Reappointed 6 March 2019 Resigned 14 November 2019.	1	2

**PRINCIPAL ACTIVITIES**

The principal activity for the year ended 30 June 2020 was provision of a range of services and supports to unpaid family and friend carers as well as a range of respite and community engagement programs for people who need care such as people with frailty of ageing and people with disability.

**Objectives**

The principal objects of the company are:

To work to ensure that carers enjoy improved outcomes – in health, wellbeing, resilience and financial security; and that recognition of caring as a shared responsibility of family, community, business and government is promoted.

The company may provide other services as the Board may determine from time to time, provided that those services are ancillary to the company's principal objects.

**Strategy for achieving the objectives**

To achieve its principal objects the company will be an organisation of and for carers and will:

- a) provide services and support for carers and the people they care for;
- b) encourage carers to identify themselves as carers and to recognise and be aware of their own individual needs;
- c) increase public awareness of carers' needs, caring issues and promote community social responsibility towards caring;
- d) advocate for and with carers to provide evidence based advice to government, employers, potential partners and other key stakeholders on caring issues;
- e) participate in policy, research, planning, implementation and evaluation of activities relevant to carers issues; and
- f) maintain and account for a funding base sufficient to further these objects.

**Directors' report**  
**For the year ended 30 June 2020**

**PERFORMANCE MEASURES**

The company measures its performance in both the value of services funded and provided to carers and the people they care for, and the number of services delivered. One of the key performance measures are funds distributed against revenue and the total number of services provided. The company also undertakes a client satisfaction survey which measures client outcomes.

**OPERATING RESULTS**

The surplus from ordinary activities amounted to \$244,195 (2019: \$972,341. This result has been adjusted to apply AASB 15 and 1058. Further information is contained in the accompanying notes). The company is an income tax exempt institution.

**DIVIDENDS**

The company is prohibited by its constitution from paying dividends.

**CHANGE IN STATE OF AFFAIRS**

There were no significant changes in the nature of the company's principal activities during this period.

**EVENTS SUBSEQUENT TO BALANCE DATE**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**FUTURE DEVELOPMENTS**

Future developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

**ENVIRONMENTAL REGULATION AND PERFORMANCE**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**STRUCTURE**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute \$1 each towards meeting any outstanding obligation of the company. As at 30 June 2020 the total amount that the members of the company are liable to contribute if the company is wound up is \$7.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Richard Bialkowski  
Chairman



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Stephen Sant  
Director

Dated: 9<sup>th</sup> November 2020

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Carers ACT Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



**RSM AUSTRALIA PARTNERS**



**RODNEY MILLER**  
Partner

Canberra, Australian Capital Territory  
Dated: 11 November 2020

**THE POWER OF BEING UNDERSTOOD**  
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**For the year ended 30 June 2020**

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**Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUE</b>	<b>3</b>	8,233,672	8,330,768
<b>EXPENSES</b>			
Employee benefits expense		(4,630,639)	(4,616,796)
Brokerage expenses		(864,765)	(892,872)
Unexpended grants to be repaid		(677,980)	-
Program running expenses		(662,375)	(832,934)
Premises expenses		(198,833)	(290,842)
Depreciation and amortisation expense	<b>4</b>	(41,281)	(24,341)
Other expenses	<b>4</b>	(913,604)	(700,642)
<b>TOTAL EXPENSES</b>		<u><b>(7,989,477)</b></u>	<u><b>(7,358,427)</b></u>
<b>SURPLUS FOR THE YEAR</b>		<u><b>244,195</b></u>	<u><b>972,341</b></u>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u><b>244,195</b></u></u>	<u><u><b>972,341</b></u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Statement of financial position  
For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,978,677	1,892,537
Trade and other receivables		143,978	22,499
Prepayments		131,992	89,200
Other financial assets - term deposit		2,000,000	2,000,000
<b>TOTAL CURRENT ASSETS</b>		<b><u>6,254,647</u></b>	<b><u>4,004,236</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	107,147	21,328
Intangible assets	7	15,356	38,595
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>122,503</u></b>	<b><u>59,923</u></b>
<b>TOTAL ASSETS</b>		<b><u>6,377,150</u></b>	<b><u>4,064,159</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	931,841	596,953
Employee provisions	9	257,330	273,920
Grant in advance	10	1,072,495	7,082
Grant funds to be repaid		685,085	-
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>2,946,751</u></b>	<b><u>877,955</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>2,946,751</u></b>	<b><u>877,955</u></b>
<b>NET ASSETS</b>		<b><u>3,430,399</u></b>	<b><u>3,186,204</u></b>
<b>EQUITY</b>			
Retained surplus		2,724,723	2,567,930
Employee entitlement reserve		432,985	396,145
Gift fund reserve		272,691	222,129
<b>TOTAL EQUITY</b>		<b><u>3,430,399</u></b>	<b><u>3,186,204</u></b>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Statement of changes in equity  
For the year ended 30 June 2020**

	Retained surplus	Employee entitlement reserve	Gift fund reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>1,817,717</b>	<b>396,145</b>	-	<b>2,213,862</b>
Operating result for the period	213,920	-	-	<b>213,920</b>
<b>Balance as at 30 June 2019</b>	<b>2,031,637</b>	<b>396,145</b>	-	<b>2,427,782</b>
Adjustment due to AASB 15 and 1058	536,293	-	222,129	758,422
Adjusted opening equity	<b>2,567,930</b>	<b>396,145</b>	<b>222,129</b>	<b>3,186,204</b>
Operating result for the period	244,195	-	-	244,195
Transfer of reserve	(87,402)	36,840	50,562	-
<b>Balance as at 30 June 2020</b>	<b>2,724,723</b>	<b>432,985</b>	<b>272,691</b>	<b>3,430,399</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**CARERS ACT LIMITED**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Government grants received		8,821,396	7,296,773
Other income received		1,143,104	995,983
Payments to suppliers and employees		(7,811,947)	(7,602,732)
Interest received	3	37,448	73,940
Net cash from operating activities	15	<u>2,190,001</u>	<u>763,964</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of equipment		<u>(103,861)</u>	<u>(71,186)</u>
Net cash (used in) investing activities		<u>(103,861)</u>	<u>(71,186)</u>
Net increase in cash held		2,086,140	692,778
Cash at beginning of financial year		<u>1,892,537</u>	<u>1,199,759</u>
Cash at end of financial year	5	<u><u>3,978,677</u></u>	<u><u>1,892,537</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2020**

**General information**

The financial statements cover Carers ACT Limited as an individual entity. The financial statements are presented in Australian dollars, which is Carers ACT Limited's functional and presentation currency.

Carers ACT 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. The directors have the power to amend and reissue the financial statements.

**NOTE 1. 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.

**New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

*AASB 15 Revenue from Contracts with Customers*

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

*AASB 1058 Income of Not-for-Profit Entities*

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Impact of adoption*

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is detailed in the table below. The comparatives have been restated for impacts of AASB 15 and AASB 1058.

	<b>2019</b>		<b>2019</b>
	<b>Amounts</b>		<b>Amounts</b>
	<b>under AASB</b>	<b>Adjustments</b>	<b>under AASB</b>
	<b>118</b>		<b>15 and 1058</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statement of comprehensive income</b>			
<b>REVENUE</b>	7,572,346	758,422	8,330,768
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>213,919</u>	<u>758,422</u>	<u>972,341</u>
<b>Statement of financial position</b>			
<b>Current liabilities</b>			
Contract liability	765,504	(758,422)	7,082
<b>TOTAL LIABILITIES</b>	<u>1,414,248</u>	<u>(758,422)</u>	<u>655,826</u>
<b>Equity</b>			
Retained surplus	2,031,637	536,293	2,567,930
Gift fund reserve	-	222,129	222,129
<b>TOTAL EQUITY</b>	<u>2,427,782</u>	<u>758,422</u>	<u>3,186,204</u>

**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* and the *Corporations Act 2001*, 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.

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Grants*

Grant revenue is recognised in profit or loss when it satisfied the specific performance obligations stated within the funding agreements. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. Grants without specific performance obligations are recognised once the funds are controlled by the company.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue recognition (continued)**

*Service fee income*

Service fee income is recognised when the services are performed.

*Donations*

Donations are recognised as income when funds are received.

*Interest income*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**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.

**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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade and other receivables are recognised at amortised cost, less any provision for impairment.

**Property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets are stated at historical cost less accumulated depreciation, amortisation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation and amortisation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment and intangible assets over their expected useful lives as follows:

Computer equipment	2.5 years (40% straight line method)
Motor vehicles	4 years (25% straight line method)
Office equipment and furniture	4 years (25% straight line method)
Intangible assets	5 years (20% straight line method)

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, plant and equipment and intangible assets (continued)**

An item of property, plant and equipment or intangible assets is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**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.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Goods and Services Tax ('GST') and other similar taxes (continued)**

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Economic Dependence**

Carers ACT is dependent on government grant funding to ensure the ongoing continuance of its programs. At the date of this report, management has no reasons to believe this financial support will not continue.

**NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial 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. During the year, no impairment was identified. Refer to the respective note.

*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.

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3. REVENUE</b>		
Grant income	6,931,641	7,169,199
Service fee income	894,806	726,981
Donations	23,856	46,992
Interest income	37,448	73,940
Other income	258,421	313,656
Government stimulus	87,500	-
	<b><u>8,233,672</u></b>	<b><u>8,330,768</u></b>

**NOTE 4. EXPENSES**

**Depreciation and amortisation expense**

Computer equipment	25,974	5,155
Motor vehicles	2,999	7,616
Office equipment	7,189	3,910
Intangible assets	5,119	7,660
	<b><u>41,281</u></b>	<b><u>24,341</u></b>

**Other expenses**

Overheads	234,367	272,179
IT expenses	429,029	251,889
Training expenses	103,501	74,423
Insurance	34,583	42,317
Audit fees	20,212	21,428
Legal and consultancy fees	91,912	38,406
	<b><u>913,604</u></b>	<b><u>700,642</u></b>

**NOTE 5. CASH AND CASH EQUIVALENTS**

Cash on hand	701	1,000
Cash at bank	3,977,298	1,884,422
Credit and debit cards	678	7,115
	<b><u>3,978,677</u></b>	<b><u>1,892,537</u></b>

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2020**

	2020 \$	2019 \$
<b>NOTE 6. PROPERTY, PLANT AND EQUIPMENT</b>		
Computer equipment - at cost	88,960	228,282
Less: Computer equipment - accumulated depreciation and impairment	<u>(32,327)</u>	<u>(221,749)</u>
	<b>56,633</b>	<b>6,533</b>
Motor vehicles - at cost	23,719	46,831
Less: Motor vehicles - accumulated depreciation	<u>(6,935)</u>	<u>(43,764)</u>
	<b>16,784</b>	<b>3,067</b>
Office equipment - at cost	133,946	400,425
Less: Office equipment - accumulated depreciation and impairment	<u>(100,216)</u>	<u>(388,697)</u>
	<b>33,730</b>	<b>11,728</b>
	<b>107,147</b>	<b>21,328</b>

*Reconciliations*

Reconciliation of the written down values on the beginning and end of the current financial year are set up below:

	Computer equipment \$	Motor vehicles \$	Office equipment \$	Total \$
<b>Balance at 1 July 2018</b>	<b>2,395</b>	<b>10,683</b>	-	<b>13,078</b>
Additions	9,293	-	15,638	24,931
Depreciation expense	<u>(5,155)</u>	<u>(7,616)</u>	<u>(3,910)</u>	<u>(16,681)</u>
<b>Balance at 30 June 2019</b>	<b>6,533</b>	<b>3,067</b>	<b>11,728</b>	<b>21,328</b>
Additions	76,074	18,466	29,191	123,731
Depreciation expense	<u>(25,974)</u>	<u>(2,999)</u>	<u>(7,189)</u>	<u>(36,162)</u>
Disposals	<u>-</u>	<u>(1,750)</u>	<u>-</u>	<u>(1,750)</u>
<b>Balance at 30 June 2020</b>	<b>56,633</b>	<b>16,784</b>	<b>33,730</b>	<b>107,147</b>

**NOTE 7. INTANGIBLE ASSETS**

In-house software - at cost	27,300	316,053
Less: In-house software - accumulated amortisation	<u>(11,944)</u>	<u>(316,053)</u>
	<b>15,356</b>	-
Data centre - at cost	-	661,897
Less: Data centre - accumulated amortisation and impairment	<u>-</u>	<u>(623,302)</u>
	<u>-</u>	<b>38,595</b>
<b>Total Intangible Assets</b>	<b>15,356</b>	<b>38,595</b>

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2020**

**NOTE 7. INTANGIBLE ASSETS (CONTINUED)**

	<b>Data Centre \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2018</b>	-	-
Additions	46,255	46,255
Amortisation expense	(7,660)	(7,660)
<b>Balance at 30 June 2019</b>	<b>38,595</b>	<b>38,595</b>
Additions	13,350	13,350
Amortisation expense	(5,119)	(5,119)
Disposals	(31,470)	(31,470)
<b>Balance at 30 June 2020</b>	<b>15,356</b>	<b>15,356</b>

	<b>2020 \$</b>	<b>2019 \$</b>
<b>NOTE 8. TRADE AND OTHER PAYABLES</b>		
Trade payables	150,229	111,381
BAS payables	150,734	76,793
Accrued program expenditures	429,719	335,588
Accrued wages	189,499	59,204
Other payables - Credit cards	11,660	13,987
	<b>931,841</b>	<b>596,953</b>

<b>NOTE 9. EMPLOYEE PROVISIONS</b>		
Annual leave provision	232,279	220,120
Long service leave provision	13,151	43,988
Other employee benefits	11,900	9,812
	<b>257,330</b>	<b>273,920</b>

<b>NOTE 10. GRANT IN ADVANCE</b>		
Grant in advance	1,072,495	229,211
	<b>1,072,495</b>	<b>229,211</b>

**NOTE 11. KEY MANAGEMENT PERSONNEL DISCLOSURES**

The aggregate compensation made to key management personnel of the company is set out below:

Aggregate compensation	348,029	345,662
	<b>348,029</b>	<b>345,662</b>

**NOTE 12. CONTINGENT LIABILITIES**

The company had no contingent liabilities as at 30 June 2020 and 30 June 2019.

**NOTE 13. LEASE COMMITMENTS**

Less than one year	-	23,304
Within two to five years	-	-
	<b>-</b>	<b>23,304</b>

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2020**

**NOTE 14. RELATED PARTY TRANSACTIONS**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 11.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	244,195	972,341
Non-cash components		
Add : Depreciation and amortisation expense	41,281	24,341
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(121,479)	43,932
(Increase)/Decrease in prepayments	(42,792)	(8,942)
Increase/(Decrease) in trade and other payables	334,888	(177,883)
Increase/(Decrease) in grant funds to be repaid	685,085	-
Increase/(Decrease) in employee provisions	(16,590)	(23,841)
Increase/(Decrease) in deferred income	1,065,413	(65,984)
Net cash provided by operating activities	<u><b>2,190,001</b></u>	<u><b>763,964</b></u>

**NOTE 16. FUNDS HELD IN TRUST**

The entity holds funds for Home Care Packages on behalf of its clients.

*Movement during the year*

Opening	191,748	-
Funds held on behalf of clients	1,762,054	500,113
Funds spent on clients	(1,391,484)	(308,365)
Closing	<u><b>562,318</b></u>	<u><b>191,748</b></u>

**NOTE 17. EVENTS AFTER THE REPORTING PERIOD**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**CARERS ACT LIMITED**  
**Directors' declaration**  
**30 June 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Australian Charities and Non-for-profits Commission Act 2012*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Richard Bialkowski  
Chairman



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Stephen Sant  
Director

Dated: 9<sup>th</sup> November 2020

## INDEPENDENT AUDITOR'S REPORT To the Members of Carers ACT Limited

### Opinion

We have audited the financial report of Carers ACT Limited ("the entity"), which comprises the statement of financial position as at 30 June 2020, the statement of 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 financial report of Carers ACT Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Regime 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 – Reduced Disclosure Requirements. 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 Carers ACT Limited in accordance with 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

Those charged with governance are responsible for the other information. The other information comprises the information included in Carers ACT Limited's annual report for the year ended 30 June 2020, but does not include the financial report and the 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.

## THE POWER OF BEING UNDERSTOOD

### AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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If, based on the work we have performed, 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 Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report 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 management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

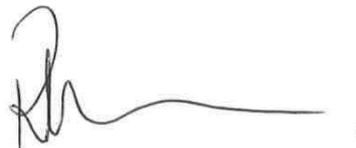
### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that reads 'Rodney Miller'.

**RODNEY MILLER**  
Partner

Canberra, Australian Capital Territory  
Dated: 11 November 2020