

**CARERS ACT LIMITED**

ABN 99 732 929 957

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

**CARERS ACT LIMITED**  
**Directors' report**  
**For the year ended 30 June 2018**

The Directors present their report together with the financial report of Carers ACT Limited for the year ended 30 June 2018.

**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>• Member of the Board since November 2007 and Board Chair since February 2012.</li> </ul>
Brian Joyce, Non-Executive Director	<ul style="list-style-type: none"> <li>• As a former Commonwealth senior manager and as Principal of a small Canberra consulting business, Brian brings experience on a range of management and organisational issues. He has served on the Board since December 2000.</li> <li>• Vice Chairman and Secretary of the Board</li> <li>• Resigned 27 March 2018</li> </ul>
Antony Stinziani, Non-Executive Director	<ul style="list-style-type: none"> <li>• Antony has over 25 years of experience in ICT across numerous government agencies and is also 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> </ul>
Barbara Causon, Non-Executive Director	<ul style="list-style-type: none"> <li>• Barbara is an Aboriginal woman and long-term sole carer, who previously served two terms on the ACT Disability Expert Panel.</li> <li>• She has recently retired after an extensive career as a senior executive officer in the Commonwealth Government, Public Service Medal recipient and has been on the Board since 2013.</li> <li>• Barbara is currently chairing a review of Aboriginal Children in the Child Protection system in the ACT.</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 provides invaluable marketing communication advice to the Board.</li> <li>• Bruce has been on the Board since 2007.</li> </ul>
Thilini Perera Non-Executive Director	<ul style="list-style-type: none"> <li>• Thilini is a corporate governance professional. She is currently the Company Secretary and Executive Director of Governance and Member Services at Lifeline Australia Ltd. In her role at Lifeline Australia, Thilini oversees all matters pertaining to governance, compliance, Member engagement internal audit and risk. 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>
Peter Hoefler Non-Executive Director	<ul style="list-style-type: none"> <li>• Peter has an extensive background in commercial business and public sector management combining over 30 years' experience working with Big 4 consulting firm, the Australian Government, ACT and NSW Governments. Peter also brings a wealth of Board and Committee experience through his involvement with a range of ACT Government Committees and community sector organisations.</li> <li>• Appointed 6 December 2017</li> <li>• Resigned 17 June 2018</li> </ul>

<p>Pui Cheung Non-Executive Director</p>	<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>
<p>Cawley Hennings (LLB, LLM) Non- Executive Director</p>	<ul style="list-style-type: none"> <li>• Cawley has held a range of governance appointments, leadership and advisory positions. He is Managing Director and consultant at WisCa Pty Ltd and has previously held management roles at a local NDIS provider. His experience includes strategy, HR/IR, policy and advocacy, change management and governance. Cawley is an Australian lawyer and current EMBA student at Smartly, Washington DC.</li> <li>• Appointed 6 December 2017</li> </ul>

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

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 2018 was:

<b>DIRECTORS MEETINGS</b>		
<b>Name</b>	<b>Attended</b>	<b>Eligible to attend</b>
Richard Bialkowski	6	6
Brian Joyce Resigned: 27 March 2018	4	5
Bruce Mackay	5	6
Barbara Causon	5	6
Antony Stinziani	4	6
Bridget Larsen Resigned: 2 December 2017	2	2
Thilini Perera Appointed: 7 July 2017	6	6
Peter Hoefler Appointed: 6 December 2017 Resigned: 17 June 2018	3	4
Pui Cheung Appointed: 30 January 2018	3	4
Cawley Hennings Appointed: 6 December 2017	3	4

#### PRINCIPAL ACTIVITIES

The principal activity for the year ended 30 June 2018 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 dementia 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.

**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 profit from ordinary activities amounted to \$112,578 (2017: \$27,485). 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**

There has not been any matter or circumstance subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future 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 2018 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



Richard Blalkowski  
Chairman



Pui Cheung  
Director

Date: 25 September 2018

**RSM Australia Partners**

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600  
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300  
F +61 (0) 2 6217 0401

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Carers ACT Limited for the year ended 30 June 2018, 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*  
**RSM Australia Partners**



**Rodney Miller**  
Partner

Canberra, Australian Capital Territory  
26 September 2018

**CARERS ACT LIMITED**  
**Contents**  
**For the year ended 30 June 2018**

Contents	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	20
Independent auditor's report	21

**CARERS ACT LIMITED**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUE</b>	<b>3</b>	7,577,056	7,852,225
<b>EXPENSES</b>			
Employee benefits expense		(4,177,702)	(4,091,752)
Brokerage expenses		(1,464,319)	(1,505,274)
Program running expenses		(596,756)	(694,757)
Rental expense		(285,335)	(238,932)
Depreciation and amortisation expense	<b>4</b>	(175,710)	(182,540)
Impairment loss	<b>4</b>	(93,494)	(312,032)
Other expenses	<b>4</b>	(671,162)	(799,453)
<b>TOTAL EXPENSES</b>		<b>(7,464,478)</b>	<b>(7,824,740)</b>
<b>SURPLUS FOR THE YEAR</b>		<b>112,578</b>	<b>27,485</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>112,578</b>	<b>27,485</b>

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

**CARERS ACT LIMITED**  
**Statement of financial position**  
**For the year ended 30 June 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,198,806	3,049,579
Trade and other receivables	6	66,431	59,808
Prepayments	7	80,258	65,889
Other financial assets	8	2,000,000	-
<b>TOTAL CURRENT ASSETS</b>		<b><u>3,345,495</u></b>	<b><u>3,175,276</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	13,078	124,666
Intangible assets	10	-	150,170
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>13,078</u></b>	<b><u>274,836</u></b>
<b>TOTAL ASSETS</b>		<b><u>3,358,573</u></b>	<b><u>3,450,112</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	582,135	711,192
Employee provisions	12	297,761	251,534
Deferred income	13	264,815	386,102
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>1,144,711</u></b>	<b><u>1,348,828</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,144,711</u></b>	<b><u>1,348,828</u></b>
<b>NET ASSETS</b>		<b><u>2,213,862</u></b>	<b><u>2,101,284</u></b>
<b>EQUITY</b>			
Retained surplus		1,817,717	1,630,739
Employee entitlement reserve		396,145	470,545
<b>TOTAL EQUITY</b>		<b><u>2,213,862</u></b>	<b><u>2,101,284</u></b>

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

**CARERS ACT LIMITED**  
**Statement of changes in equity**  
**For the year ended 30 June 2018**

	<b>Retained surplus</b>	<b>Shaw building reserve</b>	<b>Employee entitlement reserve</b>	<b>Capacity improvement reserve</b>	<b>Facility improvement reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	<b>1,061,945</b>	<b>94,298</b>	<b>378,870</b>	<b>400,000</b>	<b>138,686</b>	<b>2,073,799</b>
Operating result for the period	27,485	-	-	-	-	27,485
Transfer of reserve	541,309	(94,298)	91,675	(400,000)	(138,686)	-
<b>Balance as at 30 June 2017</b>	<b>1,630,739</b>	<b>-</b>	<b>470,545</b>	<b>-</b>	<b>-</b>	<b>2,101,284</b>
Operating result for the period	112,578	-	-	-	-	112,578
Transfer of reserve	74,400	-	(74,400)	-	-	-
<b>Balance as at 30 June 2018</b>	<b>1,817,717</b>	<b>-</b>	<b>396,145</b>	<b>-</b>	<b>-</b>	<b>2,213,862</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 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Government grants received		27,054	7,596,407
Other income received		8,285,740	1,093,092
Payments to suppliers and employees		(8,170,071)	(7,784,926)
Interest received	<b>3</b>	13,950	31,907
Net cash from operating activities	<b>19</b>	<u>156,673</u>	<u>936,480</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in term deposit		(2,000,000)	-
Purchase of equipment		(7,446)	(11,454)
Redeemed fixed term deposits		-	1,251,808
Net cash generated from/(used in) investing activities		<u>(2,007,446)</u>	<u>1,240,354</u>
Net increase/(decrease) in cash held		(1,850,773)	2,176,834
Cash at beginning of financial year		3,049,579	872,745
Cash at end of financial year	<b>5</b>	<u><u>1,198,806</u></u>	<u><u>3,049,579</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 2018**

**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.

**Economic dependence**

Carers ACT relies on the support of the Australian Government to provide grant funding for its core operational activities. The current funding agreement for its main activities expires in November 2019. The Australian Government has advised that the service and funding model for the sector will undergo structural changes, commencing in September 2019. Carers ACT is currently assessing the likely impact of the changes to the future funding model.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2018. 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.

**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*

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

*Sales revenue*

Revenue from events and fundraising are recognised when received or receivable.

*Donations*

Donations are recognised at the time the funds are received.

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2018**

**Note 1. Significant accounting policies (continued)**

*Interest*

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.

Deferred tax assets and liabilities are always 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)

The residual values, useful lives and depreciation and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date.

**Note 1. Significant accounting policies (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.

**Note 1. Significant accounting policies (continued)**

**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.

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.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

*AASB 16 Leases*

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

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

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 1004 Contributions and clarifies the treatment of the receipt of income by not-for-profit entities. Income received where there is an associated performance obligation should be recognised in line with the principles of AASB 15, whereas donations with no future obligation may be recognised immediately. In cases where assets or services that were received below market value, such assets or services should be recognised at fair value. When an entity receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset (provided the relevant asset recognition criteria are met) or an expense. Local governments, government departments, general government sectors (GGSs) and whole of governments are required to recognise volunteer services if they would have been purchased if not provided voluntarily and the fair value of those services can be measured reliably. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

**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, there is an impairment of \$93,494 (2017: \$312,032) on intangible assets. 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.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3. REVENUE</b>		
Grant income	6,546,674	6,826,598
Service fee income	808,457	746,652
Donations	30,615	47,986
Interest income	13,950	31,907
Café income	-	133,003
Other income	177,360	66,079
	<b><u>7,577,056</u></b>	<b><u>7,852,225</u></b>

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2018**

	2018 \$	2017 \$
<b>NOTE 4. EXPENSES</b>		
<b>Depreciation and amortisation expense</b>		
Computer equipment	1,199	5,442
Motor vehicles	7,618	7,569
Office equipment	71,863	47,171
Intangible assets	95,030	122,358
	<u>175,710</u>	<u>182,540</u>
<b>Impairment loss</b>		
Computer equipment	-	4,356
Motor vehicles	-	-
Office equipment	34,502	17,395
Intangible assets	58,992	290,281
	<u>93,494</u>	<u>312,032</u>
<b>Other expenses</b>		
Overheads	358,918	298,987
IT expenses	137,200	274,891
Training expenses	77,178	100,251
Insurance	42,508	44,776
Audit fees	21,614	20,000
Legal and consultancy fees	8,253	16,652
Catering expenses	-	9,879
Miscellaneous	25,491	34,017
	<u>671,162</u>	<u>799,453</u>
<b>NOTE 5. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	992	1,000
Cash at bank	1,191,587	3,055,251
Credit and debit cards	6,227	(6,672)
	<u>1,198,806</u>	<u>3,049,579</u>
<b>NOTE 6. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	54,729	50,546
Cost recovery	11,702	2,770
Government receivables	-	6,492
	<u>66,431</u>	<u>59,808</u>
<b>NOTE 7. PREPAYMENTS</b>		
Prepaid insurance	67,517	57,905
Prepaid vouchers	6,404	-
Prepaid expenses	6,337	7,771
Prepaid rent	-	213
	<u>80,258</u>	<u>65,889</u>

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8. OTHER FINANCIAL ASSETS</b>		
Term deposit	2,000,000	-
	<b>2,000,000</b>	<b>-</b>
<b>NOTE 9. PROPERTY, PLANT AND EQUIPMENT</b>		
Computer equipment - at cost	218,989	215,394
Less: Computer equipment - accumulated depreciation and impairment	(216,594)	(215,394)
	<b>2,395</b>	<b>-</b>
Motor vehicles - at cost	46,831	46,831
Less: Motor vehicles - accumulated depreciation	(36,148)	(28,530)
	<b>10,683</b>	<b>18,301</b>
Office equipment - at cost	384,788	384,788
Less: Office equipment - accumulated depreciation and impairment	(384,788)	(278,423)
	<b>-</b>	<b>106,365</b>
	<b>13,078</b>	<b>124,666</b>

*Reconciliations*

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

	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	<b>9,798</b>	<b>14,416</b>	<b>170,931</b>	<b>195,145</b>
Additions	-	11,454	-	11,454
Depreciation expense	(5,442)	(7,569)	(47,171)	(60,182)
Impairment loss	(4,356)	-	(17,395)	(21,751)
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>18,301</b>	<b>106,365</b>	<b>124,666</b>
Additions	3,594	-	-	3,594
Depreciation expense	(1,199)	(7,618)	(71,863)	(80,680)
Impairment loss	-	-	(34,502)	(34,502)
<b>Balance at 30 June 2018</b>	<b>2,395</b>	<b>10,683</b>	<b>-</b>	<b>13,078</b>

**NOTE 10. INTANGIBLE ASSETS**

In-house software - at cost	316,053	316,053
Less: In-house software - accumulated amortisation	(316,053)	(316,053)
	<b>-</b>	<b>-</b>
Data centre - at cost	615,643	611,791
Less: Data centre - accumulated amortisation and impairment	(615,643)	(461,621)
	<b>-</b>	<b>150,170</b>
	<b>-</b>	<b>150,170</b>

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2018**

*Reconciliations*

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

	In-house software \$	Data Centre \$	Total \$
<b>Balance at 1 July 2016</b>	-	<b>562,809</b>	<b>562,809</b>
Amortisation expense	-	(122,358)	(122,358)
Impairment loss	-	(290,281)	(290,281)
<b>Balance at 30 June 2017</b>	-	<b>150,170</b>	<b>150,170</b>
Additions	-	3,852	3,852
Amortisation expense	-	(95,030)	(95,030)
Impairment loss	-	(58,992)	(58,992)
<b>Balance at 30 June 2018</b>	-	-	-

	2018 \$	2017 \$
<b>NOTE 11. TRADE AND OTHER PAYABLES</b>		
Trade payables	77,704	129,843
BAS payables	46,247	112,361
Accrued program expenditures	426,730	425,651
Accrued wages	31,454	43,337
	<b>582,135</b>	<b>711,192</b>

<b>NOTE 12. EMPLOYEE PROVISIONS</b>		
Annual leave provision	233,369	184,681
Long service leave provision	51,552	42,086
Other employee benefits	12,840	24,767
	<b>297,761</b>	<b>251,534</b>

<b>NOTE 13. DEFFERED INCOME</b>		
Grant in advance	264,815	361,180
Grant rollover	-	24,922
	<b>264,815</b>	<b>386,102</b>

**NOTE 14. KEY MANAGEMENT PERSONNEL DISCLOSURES**

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

Salaries and other short term benefits	289,200	260,784
Superannuation	27,474	24,775
	<b>316,674</b>	<b>285,559</b>

**NOTE 15. REMUNERATION OF AUDITORS**

Audit fees	21,614	20,000
------------	--------	--------

**CARERS ACT LIMITED**  
**Notes to the financial statements**  
**30 June 2018**

**NOTE 16. CONTINGENT LIABILITIES**

The company had no contingent liabilities as at 30 June 2018 and 30 June 2017.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 17. LEASE COMMITMENTS</b>		
Less than one year	23,304	20,831
Within two to five years	23,304	41,662
	<u><b>46,608</b></u>	<u><b>62,493</b></u>

**NOTE 18. RELATED PARTY TRANSACTIONS**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 14.

*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.

**NOTE 19. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**

Surplus for the year	112,578	27,485
Non-cash components		
Add : Depreciation a amortisation expense	175,710	182,540
Add : Impairment loss	93,494	312,032
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(6,623)	87,149
(Increase)/Decrease in prepayments	(14,369)	16,805
Increase/(Decrease) in trade and other payables	(129,057)	84,380
Increase/(Decrease) in employee provisions	46,227	(1,756)
Increase/(Decrease) in deferred income	(121,287)	227,845
Net cash provided by operating activities	<u><b>156,673</b></u>	<u><b>936,480</b></u>

**NOTE 20. EVENTS AFTER THE REPORTING PERIOD**

No matter or circumstance has arisen since 30 June 2018 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.

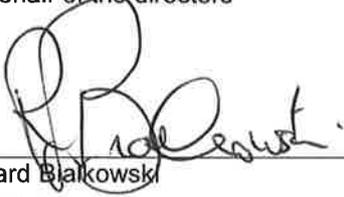
**CARERS ACT LIMITED**  
**Directors' declaration**  
**30 June 2018**

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 2018 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



Richard Blakowski  
Chairman



Pui Cheung  
Director

Date: 25 September 2018

## 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 2018, 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 2018 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 2018, 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.

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-profit 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.

  
RSM Australia Partners



**Rodney Miller**  
Partner

Canberra, Australian Capital Territory  
26 September 2018