

CARERS ACT LIMITED

ABN 99 732 929 957

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report together with the financial report of Carers ACT Limited for the year ended 30 June 2022.

DIRECTORS

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

Name and Title	Experience, special responsibilities and occupation*
Thilini Perera Board Chair	<ul style="list-style-type: none"> Thili is an accomplished corporate governance professional, a legal practitioner of the ACT Supreme Court and a graduate of the Australian Institute of Company Directors. She is the CEO of LifeLine International, an Australia-based global mental health and suicide prevention organisation that exists to advocate, campaign and fundraise to ensure suicide prevention support is available, accepted and encouraged around the world. Member of the Board since July 2017 and appointed Board Chair November 2020.
Nick Debere Non-Executive Director	<ul style="list-style-type: none"> 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. Nick is also the Chair of the Board Finance and Risk Committee. Appointed November 2019
Stephen Sant Non-Executive Director	<ul style="list-style-type: none"> Steve retired after being employed in the health industry for more than 40 years. He has worked in both State and Federal government and the private and not-for-profit sector in a variety of clinical and non-clinical roles. 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 and Chair and is currently the Chair of Carers Australia. Steve is the Chair of the Carers ACT Clinical Governance Committee Appointed: 27 November 2018
Lachlan Abbott Non-Executive Director	<ul style="list-style-type: none"> Lachlan is a Chartered Accountant, Registered Liquidator and Director with EY's Strategy and Transactions Practice in Canberra, with 15 years' experience in corporate finance, restructuring and turnaround services. Lachlan frequently consults to government, lenders, not for profit boards and private clients on a range of transaction and strategy engagements. Lachlan has lived in Canberra since 2013 and became a member of the Carers ACT Board in 2021. Appointed August 2021
Skye Forster Non-Executive Director	<ul style="list-style-type: none"> Skye is a marketing expert who thrives in complex, multi-stakeholder environments and has a proven track record of building high performing teams whilst empowering them to innovate and thrive. Skye has built her career over many years at the Australian National University, where she continues to work in her current role as Director of Marketing. In this role she is principally responsible for enhancing the University's global and national reputation through strong brand positioning and execution of strategic customer engagement activities across all relevant channels. Appointed November 2020

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Directors' report
For the year ended 30 June 2022

<p>Anitra Gollings Non-Executive Director</p>	<ul style="list-style-type: none"> • Anitra is a Management Consultant specialising in technology enabled digital transformation with state and federal government and private sector organisations. She works closely with business and IT executives on technology strategy, business case development and program delivery in areas such as operations, customer care, and enterprise and corporate functions. Anitra has a focus on human centred design and delivery of technology solutions that solve important real-world problems. • Appointed May 2021
<p>Richard Bialkowski Non-Executive Director</p>	<ul style="list-style-type: none"> • 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. • Richard is a Fellow of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, and a Chartered Governance Professional. • Member of the Board since November 2007* and Board Chair from February 2012 – November 2020. • Resigned November 2021
<p>Ann Smith Non-Executive Director</p>	<ul style="list-style-type: none"> • 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. • Appointed November 2019 • Resigned September 2021
<p>Teresa Ward Non-Executive Director</p>	<ul style="list-style-type: none"> • Teresa has worked in federal health policy and programs for nearly 30 years; largely in population, indigenous and digital health, and aged care. She is a past national manager of aged care compliance and hearing services. Teresa worked in the senior executive service for 14 years, most recently in the cultural sector, focusing on digital transformation. She has been an executive director on a government agency board, and company secretary of a charity supporting children with disabilities. As a carer for over 15 years she has an interest and insight into carer issues and wellbeing, and a commitment to promoting social cohesion and equity. • Appointed November 2020 • Resigned December 2021

* 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 2022 was:

DIRECTORS MEETINGS		
Name	Attended	Eligible to attend
Thilini Perera	9	9
Nick Debere	7	9
Stephen Sant	7	9
Skye Forster	8	9
Anitra Gollings	8	9
Lachlan Abbott	8	8
Richard Bialkowski	2	3
Ann Smith	1	1
Teressa Ward	3	4

PRINCIPAL ACTIVITIES

The principal activity for the year ended 30 June 2022 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.

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 \$305,525 (2021: surplus \$271,313). 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.

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 2022 the total amount that the members of the company are liable to contribute if the company is wound up is \$6.

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



Thilini Perera
Board Chair



Lachlan Abbott
Director

Dated: 17th October 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER S60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF CARERS ACT LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 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.



Sart Spinks, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 17th day of October 2022

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For the year ended 30 June 2022

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Carers ACT Limited
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Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
REVENUE	3	8,634,088	7,701,496
EXPENSES			
Employee benefits expense		(5,619,802)	(4,946,026)
Brokerage expenses		(795,035)	(581,981)
Program running expenses		(842,568)	(917,974)
Premises expenses		(239,651)	(159,270)
Depreciation and amortisation expense	4	(106,185)	(72,146)
Other expenses	4	(725,322)	(752,786)
TOTAL EXPENSES		<u>(8,328,563)</u>	<u>(7,430,183)</u>
SURPLUS FOR THE YEAR BEFORE TAX		305,525	271,313
Income tax expense	1b	-	-
SURPLUS FOR THE YEAR		<u>305,525</u>	<u>271,313</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>305,525</u></u>	<u><u>271,313</u></u>

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

Carers ACT Limited
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Statement of financial position
As at 30 June 2022

		2022	Restated
	Note	\$	2021
			\$
CURRENT ASSETS			
Cash and cash equivalents	5	5,540,530	5,162,434
Trade and other receivables	6	594,782	776,611
Prepayments		99,096	86,526
Other financial assets - term deposit		2,000,000	2,000,000
TOTAL CURRENT ASSETS		8,234,408	8,025,571
NON-CURRENT ASSETS			
Property, plant and equipment	7	103,456	94,202
Intangible assets	8	1,706	8,531
Right-of-use assets	9	-	51,206
TOTAL NON-CURRENT ASSETS		105,162	153,939
TOTAL ASSETS		8,339,570	8,179,510
CURRENT LIABILITIES			
Trade and other payables	10	814,684	1,139,395
Lease liabilities	9	-	43,815
Provisions	11	309,970	333,518
Grant in advance	12	3,197,679	2,951,117
TOTAL CURRENT LIABILITIES		4,322,333	4,467,845
NON-CURRENT LIABILITIES			
Provisions	11	10,000	9,953
TOTAL NON-CURRENT LIABILITIES		10,000	9,953
TOTAL LIABILITIES		4,332,333	4,477,798
NET ASSETS		4,007,237	3,701,712
EQUITY			
Retained surplus		3,236,151	2,977,260
Employee entitlement reserve	19	417,894	451,976
Gift fund reserve	19	353,192	272,476
TOTAL EQUITY		4,007,237	3,701,712

The comparative figures have been restated. Details of the restatement are provided at Note 18.

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

Carers ACT Limited
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Statement of changes in equity
For the year ended 30 June 2022

	Retained surplus	Employee entitlement reserve	Gift fund reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2020	2,724,723	432,985	272,691	3,430,399
Comprehensive income	271,313	-	-	271,313
Transfer to reserve	(18,776)	18,991	(215)	-
Balance at 30 June 2021	2,977,260	451,976	272,476	3,701,712
Comprehensive income	305,525	-	-	305,525
Transfer to reserve	(46,634)	(34,082)	80,716	-
Balance at 30 June 2022	3,236,151	417,894	353,192	4,007,237

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

Carers ACT Limited
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Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	Restated 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government grants received		7,529,738	7,503,789
Other income received		1,600,973	1,399,862
Payments to suppliers and employees		(8,649,131)	(8,240,959)
Interest (paid)/received		(1,976)	8,818
Lease interest paid		(332)	(242)
Net cash generated from operating activities		<u>479,272</u>	<u>671,268</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		(57,408)	(35,656)
Net cash (used in) investing activities		<u>(57,408)</u>	<u>(35,656)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(43,768)	(14,173)
Net cash (used in) financing activities		<u>(43,768)</u>	<u>(14,173)</u>
Net increase in cash held		378,096	621,439
Cash at beginning of financial year		5,162,434	4,540,995
Cash at end of financial year	5	<u>5,540,530</u>	<u>5,162,434</u>

The comparative figures have been restated. Details of the restatement are provided at Note 18.

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

CARERS ACT LIMITED
ABN 99 732 929 957
Notes to the financial statements 30 June 2022

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

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. 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.

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.

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Notes to the financial statements 30 June 2022

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. 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.

c. 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.

d. 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.

e. Trade and other receivables

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

f. 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)

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.

g. 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.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the incorporated association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

i. Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incorporated association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

j. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

k. Employee benefits

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.

I. 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.

m. 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.

n. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Impairment of Financial Assets

At the end of the reporting period the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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Notes to the financial statements 30 June 2022

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 entity classifies its financial assets into the following categories, those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the entity 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 entity'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.

o. 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.

p. New and Amended Accounting Standards Adopted by the Entity

Initial adoption of AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

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.

Employee benefits provision

As discussed in note 1k, 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.

Performance Obligation under AASB15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature / type, cost / value, quantity and the period of transfer related to the goods or services promised.

Lease option not exercised under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the company will make. The company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the company.

CARERS ACT LIMITED
ABN 99 732 929 957
Notes to the financial statements 30 June 2022

	2022	2021
	\$	\$
NOTE 3. REVENUE		
Grant revenue	7,158,148	6,259,358
Service fee income	1,347,361	1,274,574
Donations	124,409	145,398
Interest income	2,041	8,818
Other income	2,129	13,348
	<u>8,634,088</u>	<u>7,701,496</u>

A portion of other income for 2021 has been reclassified to donations

NOTE 4. EXPENSES

Depreciation and amortisation expense

Computer equipment	21,605	33,775
Motor vehicles	15,342	3,619
Office equipment	11,207	11,207
Intangible assets	6,825	6,825
Right of use asset	51,206	16,720
	<u>106,185</u>	<u>72,146</u>

Other expenses

Overheads	354,757	267,123
IT expenses	208,070	237,019
Training expenses	65,936	101,261
Insurance	49,263	41,076
Audit and associated fees	22,274	39,267
Legal and consultancy fees	25,022	67,040
	<u>725,322</u>	<u>752,786</u>

NOTE 5. CASH AND CASH EQUIVALENTS

Cash on hand	1,188	1,231
Cash at bank	4,812,260	4,298,234
Cash at bank - Home Care Package	727,082	862,969
	<u>5,540,530</u>	<u>5,162,434</u>

NOTE 6. TRADE AND OTHER RECEIVABLES

Trade receivables	60,395	19,937
Accrued income	128,920	157,499
GST receivables	82,844	-
Home Care Package receivables	322,623	599,175
	<u>594,782</u>	<u>776,611</u>

	2022	2021
	\$	\$
NOTE 7. PROPERTY, PLANT AND EQUIPMENT		
Computer equipment - at cost	88,960	88,960
Less: Computer equipment - accumulated depreciation	<u>(87,707)</u>	<u>(66,102)</u>
	<u>1,253</u>	<u>22,858</u>
Motor vehicles - at cost	116,782	59,375
Less: Motor vehicles - accumulated depreciation	<u>(25,895)</u>	<u>(10,554)</u>
	<u>90,887</u>	<u>48,821</u>
Office equipment - at cost	133,946	133,946
Less: Office equipment - accumulated depreciation	<u>(122,630)</u>	<u>(111,423)</u>
	<u>11,316</u>	<u>22,523</u>
Total Property, plant and equipment	<u>103,456</u>	<u>94,202</u>

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

	Computer Equipment	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2020	56,633	16,784	33,730	107,147
Additions	-	35,656	-	35,656
Depreciation expense	<u>(33,775)</u>	<u>(3,619)</u>	<u>(11,207)</u>	<u>(48,601)</u>
Balance at 30 June 2021	22,858	48,821	22,523	94,202
Additions	-	57,408	-	57,408
Depreciation expense	<u>(21,605)</u>	<u>(15,342)</u>	<u>(11,207)</u>	<u>(48,154)</u>
Balance at 30 June 2022	<u>1,253</u>	<u>90,887</u>	<u>11,316</u>	<u>103,456</u>

	2022	2021
	\$	\$
NOTE 8. INTANGIBLE ASSETS		
In-house software - at cost	27,300	27,300
Less: In-house software - accumulated amortisation	<u>(25,594)</u>	<u>(18,769)</u>
	<u>1,706</u>	<u>8,531</u>

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

	Data Centre	Total
	\$	\$
Balance at 30 June 2020	8,531	8,531
Amortisation expense	<u>(6,825)</u>	<u>(6,825)</u>
Balance at 30 June 2021	8,531	8,531
Amortisation expense	<u>(6,825)</u>	<u>(6,825)</u>
Balance at 30 June 2022	<u>1,706</u>	<u>1,706</u>

2022 **2021**
\$ **\$**

NOTE 9. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The company's lease portfolio includes lease of an office building where principal business takes place. This lease agreement has expired and Carers ACT is currently renting on a month-to-month basis. Carers ACT also rents two properties for the provision of Cottage Respite Services. The lease on one property expired at 30 June 2022 and a new lease is being negotiated with the lessor. The other property is rented on a month to month basis.

Right of Use asset - at cost	67,926	67,926
Less: Accumulated depreciation	<u>(67,926)</u>	<u>(16,720)</u>
	-	51,206
Lease liability	<u>-</u>	<u>43,815</u>
	-	43,815

NOTE 10. TRADE AND OTHER PAYABLES

Trade payables	254,674	115,236
GST payables	-	46,457
PAYG payables	82,761	63,866
Accrued program expenditures	216,531	477,345
Accrued wages	153,301	234,266
Other payables - credit cards	7,080	12,407
Home Care Package payables	<u>100,337</u>	<u>189,819</u>
	814,684	1,139,395

NOTE 11. PROVISIONS

CURRENT

Annual leave provision	275,231	301,720
Long service leave provision	22,811	23,353
Other employee benefits	<u>11,928</u>	<u>8,445</u>
	309,970	333,518

NON-CURRENT

Make Good provision	<u>10,000</u>	<u>9,953</u>
	319,970	343,471

NOTE 12. UNEXPENDED GRANTS

Unexpended grants	2,248,311	1,678,792
Home Care Package unspent funds	<u>949,368</u>	<u>1,272,325</u>
	3,197,679	2,951,117

	2022	2021
	\$	\$

NOTE 13. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

Aggregate compensation	436,140	378,542
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NOTE 14. CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

NOTE 15. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

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 16. FUNDS HELD ON BEHALF OF HOME CARE PACKAGE

	2022	2021
	\$	\$

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

Movement during the year

Opening	862,969	562,318
Funds received on behalf of clients	2,786,246	2,868,383
Funds spent on behalf of clients	(2,922,133)	(2,567,732)
Closing	727,082	862,969

The Home Care Package is a program where an individual is funded by the Federal Government for a home care package, which is to be delivered by an approved home care provider. When Carers ACT is the chosen provider, the Government will provide the funds to Carers ACT and these funds will be spent on services for the clients. The cash received from the Government is held by Carers ACT, which is responsible for providing services to clients in accordance with the agreement with the client and Government. While Carers ACT has control of the cash, they are restricted in their ability to freely utilise the funds. As such the above note shows funds received from the Government and spent on clients. Any unspent funds will be recognised as deferred income in the balance sheet.

NOTE 17. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2022 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.

NOTE 18: CORRECTION OF ERRORS

The prior period adjustment relates to the Home Care Package being recognised on the balance sheet as at 30 June 2021. The Home Care Package had previously not been recognised in Carers ACT financial statements. During the 2022 financial year it was determined that Carers ACT has control of the cash related to the Home Care Package and therefore it should be recognised. Refer to note 16 for a discussion of the Home Care Package.

Prior period errors must be corrected retrospectively in the financial statements. Retrospective application means that the correction affects only prior period comparative figures. Current period amounts are unaffected. Therefore, comparative amounts of each prior period presented which contain errors have been restated. Where the error relates to a reporting period that is before the earliest prior period presented, then the opening balances of assets, liabilities and equity of the earliest prior period presented were restated.

Statement of financial position	Impact of correction of error		
	As previously reported	Adjustment	As restated
As at 30 June 2021	\$	\$	\$
Current assets			
Cash and cash equivalents	4,299,465	862,969	5,162,434
Trade and other receivables	177,436	599,175	776,611
Prepayments	86,526	-	86,526
Other financial assets - term deposit	2,000,000	-	2,000,000
	<u>6,563,427</u>	<u>1,462,144</u>	<u>8,025,571</u>
Non-current assets			
Plant and equipment	94,202	-	94,202
Intangible assets	8,531	-	8,531
Right-of-use assets	51,206	-	51,206
	<u>153,939</u>	<u>-</u>	<u>153,939</u>
Total assets	<u>6,717,366</u>	<u>1,462,144</u>	<u>8,179,510</u>
Current liabilities			
Trade and other payables	949,576	189,818	1,139,395
Lease liabilities	43,815	-	43,815
Provisions	333,518	-	333,518
Grant in advance	1,678,792	1,272,325	2,951,117
	<u>3,005,701</u>	<u>1,462,144</u>	<u>4,467,845</u>
Non-current liabilities			
Provisions	9,953	-	9,953
Total liabilities	<u>3,015,654</u>	<u>-</u>	<u>4,477,798</u>
Net Assets	<u>3,701,712</u>	<u>-</u>	<u>3,701,712</u>
Retained earnings	2,977,260	-	2,977,260
Employee entitlement reserve	451,976	-	451,976
Gift fund reserve	272,476	-	272,476
Total equity	<u>3,701,712</u>	<u>-</u>	<u>3,701,712</u>

Statement of cash flows As at 30 June 2021	Impact of correction of error		
	As	Adjustment	As
	previously reported		restated
	\$	\$	\$
Cash flows from operating activities			
Government grants received	6,935,298	568,489	7,503,789
Other income received	1,399,862	-	1,399,862
Payments to suppliers and employees	(7,973,119)	(267,840)	(8,240,959)
Interest received	8,818	-	8,818
Lease interest paid	(242)	-	(242)
Net cash generated from operating activities	370,617	300,649	671,268
Cash flows from investing activities			
Payments for plant and equipment	(35,656)	-	(35,656)
Net cash (used in) investing activities	(35,656)	-	(35,656)
Cash flows from financing activities			
Payments for lease liabilities	(14,173)	-	(14,173)
Net cash (used in) financing activities	(14,173)	-	(14,173)
Net increase in cash held	320,788	-	621,439
Cash and cash equivalents - start of the financial year	3,978,677	562,318	4,540,995
Cash and cash equivalents - end of the financial year	4,299,465	862,969	5,162,434

Note 19: Reserves

Employee entitlement reserve

The employment entitlement reserve represents the amount that would have to be paid to staff in the event Carers ACT was to be wound up.

Gift fund reserve

The gift fund reserve represents donated funds.

NOTE 20: ENTITY DETAILS

The registered office and principal place of the business of the entity is:

2/80 Beaufort Crescent
Holt ACT 2615

In accordance with a resolution of the Directors of Carers ACT Limited, the directors of the company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 7 to 23, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and
 - b. give a true and fair view of the financial position of the company as at 30 June 2022 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Thilini Perera
Board Chair



Lachlan Abbott
Director

Dated: 17 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CARERS ACT LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Carers ACT Limited (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying 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* (the ACNC Act), including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *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 registered entity in accordance with the ACNC Act and 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 Matters

The financial report of Carers ACT Limited for the year ended 30 June 2021 was audited by another auditor who expressed an unmodified opinion on that financial report on 3 November 2021. In the current financial year an amendment was made to the comparative figures which relates to the presentation of the home care package. This is discussed in Note 18 to the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 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, 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 the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CARERS ACT LIMITED

In preparing the financial report, the directors are responsible for assessing the ability of the registered entity 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 registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Sart Spinks, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 17th day of October 2022