

CARERS ACT LIMITED

ABN 99 732 929 957

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

Carers ACT Limited
ABN 99 732 929 957
Directors' report
For the year ended 30 June 2023

The Directors present their report together with the financial report of Carers ACT Limited for the year ended 30 June 2023.

DIRECTORS

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

<i>Name and Title</i>	<i>Experience, special responsibilities and occupation</i>
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. 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 17 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

<i>Name and Title</i>	<i>Experience, special responsibilities and occupation</i>
Anitra Gollings Non-Executive Director	<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
Gillian Bradford Non-Executive Director	<ul style="list-style-type: none"> Gillian Bradford (BA in Communications) has worked at the intersection of media and politics for more than 20 years. She's currently working as a Media Consultant but has been the Head of Strategy for ABC News, a Bureau Chief in the Parliamentary Press Gallery, a political reporter, and senior consultant at a strategic communications firm. Gillian is a carer and through her own family experience with disability, has been heavily involved with Malkara Specialist School and advocacy for various other not-for-profits. Appointed September 2022
Helen Jeffs Non-Executive Director	<ul style="list-style-type: none"> Helen (BA Business Administration) specialises in business development and change enablement in a government context and currently supports private, public and not-for-profit organisations develop change agility. She has fifteen years' experience consulting on programs of national significance where she championed customer-centric service design. In executive leadership roles in the not-for-profit sector Helen built partnerships and shaped solutions with federal and state government, philanthropic organisations, service providers, communities, and Aboriginal Community Controlled Organisations to support people to lead great lives including the most vulnerable of Australians. Appointed September 2022
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 Resigned September 2022

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 2023 was:

DIRECTORS MEETINGS		
Name	Attended	Eligible to attend
Thilini Perera	8	8
Nick Debere	7	8
Stephen Sant	6	8
Lachlan Abbott	8	8
Anitra Gollings	7	8
Gillian Bradford	6	7
Helen Jeffs	7	7
Skye Forster	0	2

PRINCIPAL ACTIVITIES

The principal activity for the year ended 30 June 2023 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:

- provide services and support for carers and the people they care for;
- encourage carers to identify themselves as carers and to recognise and be aware of their own individual needs;
- increase public awareness of carers' needs, caring issues and promote community social responsibility towards caring;
- advocate for and with carers to provide evidence based advice to government, employers, potential partners and other key stakeholders on caring issues;
- participate in policy, research, planning, implementation and evaluation of activities relevant to carers issues; and
- 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 \$323,386 (2022: surplus \$305,525). 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 2023 the total amount that the members of the company are liable to contribute if the company is wound up is \$7 (2022:\$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: 09 October 2023

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

As lead auditor of Carers ACT Limited, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 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
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 9th day of October 2023

Carers ACT Limited
ABN 99 732 929 957
Contents
For the year ended 30 June 2023

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	24
Independent auditor's report	25

Carers ACT Limited
ABN 99 732 929 957
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
REVENUE AND OTHER INCOME			
Revenue	3	10,106,779	8,505,509
Other income	3	179,858	128,579
EXPENSES			
Employee benefits expense		(6,491,924)	(5,619,802)
Brokerage expenses		(940,307)	(795,035)
Program running expenses		(1,129,016)	(842,568)
Premises expenses		(298,065)	(239,651)
Depreciation and amortisation expense	4	(27,390)	(106,185)
Human resources and training expenses		(265,015)	(208,505)
ICT expense		(286,999)	(208,070)
Other expenses	4	(524,535)	(308,747)
TOTAL EXPENSES		(9,963,251)	(8,328,563)
SURPLUS FOR THE YEAR BEFORE TAX		323,386	305,525
Income tax expense	1b	-	-
SURPLUS FOR THE YEAR		323,386	305,525
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		323,386	305,525

The accompanying notes form part of these financial statements

Carers ACT Limited
ABN 99 732 929 957
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	7,968,989	5,540,530
Trade and other receivables	6	653,981	594,782
Financial assets	7	-	2,000,000
Other assets – prepayments		108,800	99,096
TOTAL CURRENT ASSETS		8,731,770	8,234,408
NON-CURRENT ASSETS			
Property, plant and equipment	8	77,772	103,456
Intangible assets	9	-	1,706
TOTAL NON-CURRENT ASSETS		77,772	105,162
TOTAL ASSETS		8,809,542	8,339,570
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	707,896	814,684
Provisions	11	299,510	309,970
Contract liabilities	12	3,461,513	3,197,679
TOTAL CURRENT LIABILITIES		4,468,919	4,322,333
NON-CURRENT LIABILITIES			
Provisions	11	10,000	10,000
TOTAL NON-CURRENT LIABILITIES		10,000	10,000
TOTAL LIABILITIES		4,478,919	4,332,333
NET ASSETS		4,330,623	4,007,237
EQUITY			
Retained surplus		3,408,743	3,236,151
Employee entitlement reserve	18	466,796	417,894
Gift fund reserve	18	455,084	353,192
TOTAL EQUITY		4,330,623	4,007,237

The accompanying notes form part of these financial statements

Carers ACT Limited
ABN 99 732 929 957
Statement of changes in equity
For the year ended 30 June 2023

	Retained surplus	Employee entitlement reserve	Gift fund reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	2,977,260	451,976	272,476	3,701,712
Comprehensive income				
Surplus for the year	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
Comprehensive income				
Surplus for the year	323,386	-	-	323,386
Transfer to reserve	(150,794)	48,902	101,892	-
Balance at 30 June 2023	3,408,743	466,796	455,084	4,330,623

The accompanying notes form part of these financial statements

Carers ACT Limited
ABN 99 732 929 957
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants		9,185,610	7,529,738
Other receipts		1,542,463	1,600,973
Payments to suppliers and employees		(10,336,166)	(8,649,131)
Interest received / (paid)		36,552	(1,976)
Finance costs		-	(332)
Net cash generated from operating activities		428,459	479,272
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(57,408)
Proceeds from investments in term deposit		2,000,000	-
Net cash provided by / (used in) investing activities		2,000,000	(57,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		-	(43,768)
Net cash (used in) financing activities		-	(43,768)
Net increase in cash held		2,428,459	378,096
Cash and cash equivalents at beginning of financial year		5,540,530	5,162,434
Cash and cash equivalents at end of financial year	5	7,968,989	5,540,530

The accompanying notes form part of these financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carers ACT Limited is a not-for-profit unlisted public company limited by guarantee.

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.

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.

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

The entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: *Revenue from Contracts with Customers* or Income per AASB 1058: *Income of Not-for-Profit Entities*.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the entity is required to consider whether any other financial statement elements should be recognised (e.g. financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

Grants, donations or bequests

When the entity receives operating grant funding, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g AASB 9, AASB 16 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Service fee income

Service fee income is recognised when the services are performed.

Interest income

Interest revenue is recognised using the effective interest method.
All revenue is stated net of the amount of goods and services tax.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

c. Cash and cash equivalents

Cash and cash equivalents include 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.

d. Trade and other receivables

Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised as fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(m) for further discussion on the determination of impairment losses.

e. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computer equipment	40%
Motor vehicles	25%
Office equipment and furniture	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. Intangible assets

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of 5 years. It is assessed annually for impairment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h. Leases

The entity as lessee

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives
- variable lease payments rate, initially measured using the index or rate at the commencement date
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- lease payments under extension options if lessee is reasonably certain to exercise the options
- payments for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

i. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Employee benefits

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employee's long service leave and annual leave entitlement as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provide is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipate future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Defined contribution superannuation expense

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

k. 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.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 included in receipts from customers or payments to suppliers.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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*.

Classification and subsequent measurement

Financial liabilities

The entity's financial liabilities are subsequently measured at amortised cost using the effective interest method. The financial liabilities of the Carers ACT comprise trade payables.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Financial instruments (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Impairment

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.

o. Economic dependence

Carers ACT is dependent on the Federal and State Government Departments ("Departments") for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Departments will not continue to support the entity.

p. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

q. New and amended accounting standards adopted by the entity

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.

The entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 16, AASB 137 and AAB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profits entities accompanying AASB 15.

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 *Revenue from Contracts with Customers* to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The adoption of the amendment did not have a material impact on the financial statements.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates

(i) Useful lives of property, plant and equipment

As described in Note 1(e), the entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(ii) Estimation for accrued expenses

Accrued expenditure has been estimated by management based on purchase orders, which form parts of the accrued expenses balance at year end.

Management has taken into account the historical experience and communication with suppliers, as appropriate, in estimating the transaction costs relating to services that have been provided to Carers ACT during the financial year but not yet been invoiced at year end.

Key judgements

(i) Performance obligations 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.

(ii) Lease term and option to extend 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 entity will make. The entity determines the likelihood 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 its future strategy.

(iii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(iii) Employee benefits – portable long service leave scheme

All Carers ACT's employees are registered with the ACT Long Service Leave Authority (the Authority) and covered under the portable long service leave scheme. The scheme allows eligible workers to move from employer to employer in the community sector, while still accruing service towards a long service leave entitlement. When a worker decides to claim some or all of their long service leave entitlement, Carers ACT will pay the benefit and lodge a claim with the Authority. The Authority will repay the benefit to Carers ACT.

The levy contributions to the Authority is currently set at 1.6% of the gross ordinary wages for the registered employees. Obligations for contributions to the defined portable long service leave scheme are recognised as an employee benefit expense in profit or loss in the period in which services are provided by employees. Therefore, the Directors believe that no provision for long service leave entitlement is required to be raised in relation to the portions that have been covered under the portable long service leave scheme.

If employees are entitled to a longer service leave accrual rate that is higher than the one covered under the portable long service leave scheme, the remaining accrual is recorded as a provision by Carers ACT.

CARERS ACT LIMITED**ABN 99 732 929 957****Notes to the financial statements for the year ended 30 June 2023****NOTE 3. REVENUE AND OTHER INCOME**

The majority of the entity's funding is in the form of grants from government departments, and other bodies. Carers ACT has assessed that the majority of its grant agreements are enforceable and contain sufficiently specific performance obligations. This determination was made on the basis that the funding agreements require the entity to carry out various types of services to be provided and specify the duration of such programs prescribed within the relevant agreements. Carers ACT therefore recognises funding received under such agreements as Revenue under AASB 15. Revenue is recognised as the entity delivers the required services, which is when expenditure is incurred or when each milestone of the underlying program is achieved.

	2023	2022
	\$	\$
Revenue		
Grant revenue	8,560,965	7,158,148
Service fee income	1,545,814	1,347,361
	<u>10,106,779</u>	<u>8,505,509</u>
Other income		
Donations	143,306	124,409
Interest income	36,552	2,041
Other income	-	2,129
	<u>179,858</u>	<u>128,579</u>
Total revenue and other income	<u>10,286,637</u>	<u>8,634,088</u>

Contribution of volunteer services

During the financial year ended 30 June 2023, Carers ACT received a service free of charge from a supplier in developing an IT Strategy, which has been valued at \$150,000. The transaction was not recognised in the profit or loss statement, in application of AASB 1058 *Income of Not-for-Profit Entities* (paragraphs 18 and 19).

NOTE 4. EXPENSES**Depreciation and amortisation expense**

Computer equipment	1,253	21,605
Motor vehicles	16,156	15,342
Office equipment	8,275	11,207
Intangible assets	1,706	6,825
Right of use asset	-	51,206
	<u>27,390</u>	<u>106,185</u>

Other expenses

Audit and associated fees	26,487	22,274
Advertising, media and communications	86,807	47,756
Insurance	50,449	49,263
Equipment	73,908	41,756
Other operating expenses	286,884	147,698
	<u>524,535</u>	<u>308,747</u>

AASB 16 related amounts recognised in the statement of profit or loss, under Premises Expenses

Short-term leases expense	47,450	-
---------------------------	--------	---

NOTE 5. CASH AND CASH EQUIVALENTS**CURRENT**

Cash on hand	1,175	1,188
Cash at bank	7,516,486	4,812,260
Cash at bank - Home Care Package	16 451,328	727,082
	<u>19 7,968,989</u>	<u>5,540,530</u>

CARERS ACT LIMITED**ABN 99 732 929 957****Notes to the financial statements for the year ended 30 June 2023****NOTE 6. TRADE AND OTHER RECEIVABLES**

	2023	2022
	\$	\$
CURRENT		
Trade receivables	387,772	60,395
Accrued income	115,497	128,920
GST receivable	-	82,844
Home Care Package receivables	150,712	322,623
	653,981	594,782

(i) Financial assets at amortised cost classified as trade and other receivables

Trade and other receivables:

– total current	653,981	594,782
Less GST receivable	-	(82,844)
Less accrued income	(115,497)	(128,920)
Financial assets as trade and other receivables	538,484	383,018

NOTE 7. FINANCIAL ASSETS**CURRENT**

Financial assets at amortised cost – term deposits	-	2,000,000
	-	2,000,000

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

Computer equipment		
At cost	88,960	88,960
Less accumulated depreciation	(88,960)	(87,707)
	-	1,253
Motor vehicles		
At cost	116,782	116,782
Less accumulated depreciation	(42,051)	(25,895)
	74,731	90,887
Office equipment and furniture		
At cost	133,946	133,946
Less accumulated depreciation	(130,905)	(122,630)
	3,041	11,316
Total property, plant and equipment	77,772	103,456

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment	Motor Vehicles	Office Equipment and Furniture	Total
	\$	\$	\$	\$
Balance at the beginning of the year	1,253	90,887	11,316	103,456
Additions	-	-	-	-
Depreciation expense	(1,253)	(16,156)	(8,275)	(25,684)
Carrying amount at the end of the year	-	74,731	3,041	77,772

CARERS ACT LIMITED**ABN 99 732 929 957****Notes to the financial statements for the year ended 30 June 2023****NOTE 9. INTANGIBLE ASSETS**

	2023	2022
	\$	\$
In-house software		
At cost	27,300	27,300
Less accumulated amortisation	(27,300)	(25,594)
	<u>-</u>	<u>1,706</u>

Movements in Carrying Amounts

	In-house software	Total
	\$	\$
2023		
Balance at the beginning of the year	1,706	1,706
Additions	-	-
Amortisation charge	(1,706)	(1,706)
Carrying amount at the end of the year	<u>-</u>	<u>-</u>

NOTE 10. TRADE AND OTHER PAYABLES**CURRENT**

Trade payables	8,021	254,674
GST payable	78,027	-
PAYG payable	79,199	82,761
Accrued program expenditures	331,815	216,531
Accrued wages	185,541	153,301
Other payables - credit cards	(7,814)	7,080
Home Care Package payables	33,107	100,337
	<u>707,896</u>	<u>814,684</u>

(i) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- total current	707,896	814,684
Less tax liability	(78,027)	-
Less PAYG payable	(79,199)	(82,761)
Less accrued expenses	(517,356)	(369,832)

Financial liabilities as trade and other payables

19	<u>33,314</u>	<u>362,091</u>
----	---------------	----------------

NOTE 11. PROVISIONS**CURRENT**

Annual leave provision	265,477	275,231
Long service leave provision	23,224	22,811
Other employee benefits	10,809	11,928
	<u>299,510</u>	<u>309,970</u>

NON-CURRENT

Make good provision	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
	<u>309,510</u>	<u>319,970</u>

NOTE 11. PROVISIONS (CONTINUED)

	Annual leave	Long service leave	Other employee benefits	Make good provision	Total
	\$	\$	\$	\$	\$
Analysis of total provisions					
Opening balance at 1 July 2022	275,231	22,811	11,928	10,000	319,970
Additional provisions raised	479,563	87,417	41,743	-	608,723
Amounts used	(489,317)	(87,004)	(42,862)	-	(619,183)
Balance at 30 June 2023	265,477	23,224	10,809	10,000	309,510

Provision for employee benefits

The current portion for this provision includes the total amount accrued for annual leave, long service leave and other entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Make good provision

The non-current portion for this provision includes the total amount accrued for estimated costs to restore the leased premise to its original conditions at the end of the lease term, as required in the lease agreement.

NOTE 12. CONTRACT LIABILITIES

	2023	2022
	\$	\$
Grants for which performance obligations will only be satisfied in subsequent years	449,177	-
Unexpended grants applied to be rolled over	894,227	818,456
Unexpended grants to be repaid	1,549,174	1,429,855
Home Care Package unspent funds	568,935	949,368
	3,461,513	3,197,679

NOTE 13. KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the entity during the year are as follows:

KMP compensation	649,598	436,140
------------------	----------------	----------------

NOTE 14. OTHER RELATED PARTY TRANSACTION

There were no transactions with related parties during the financial year ended 30 June 2023 (2022: None).

NOTE 15. CONTINGENT LIABILITIES

The entity had no contingent liabilities as at 30 June 2023 (2022: none).

CARERS ACT LIMITED**ABN 99 732 929 957****Notes to the financial statements for the year ended 30 June 2023****NOTE 16. FUNDS HELD ON BEHALF OF HOME CARE PACKAGE**

	2023	2022
	\$	\$
The entity holds funds for Home Care Packages on behalf of its clients.		
Movement during the year		
Balance at the beginning of the year	727,082	862,969
Funds received on behalf of clients	1,798,387	2,786,246
Funds spent on behalf of clients	(2,074,141)	(2,922,133)
Closing balance at the end of the year	451,328	727,082

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.

Since 31 May 2023, Carers ACT has ceased the operations of its Home Care Package service. Unspent funds balances have been declared to the Government and the new service provider. These balances have been recorded as contract liabilities as at 30 June 2023 and will be paid to the Government and new service provider in the 30 June 2024 financial year. The directors believe that the cash at bank and accounts receivable balances, relating to Home Care Package held by Carers ACT as at 30 June 2023, are sufficient to pay for the payable and contract liabilities amounts when they become due.

NOTE 17. EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to reporting date, which require disclosure in the financial statements.

NOTE 18. 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 19. FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		2023	2022
		\$	\$
Financial assets			
Financial assets at amortised cost:			
– cash and cash equivalents	5	7,968,989	5,540,530
– trade and other receivables	6(i)	538,484	383,018
– financial assets	7	-	2,000,000
Total financial assets		8,507,473	7,923,548
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	10(i)	33,314	362,091
Total financial liabilities		33,314	362,091

NOTE 20. CAPITAL AND LEASING COMMITMENTS**Lease commitment**

Leasing commitment includes a contract that has been classified as a short-term lease. This contract is related to a non-cancellable operating lease contracted for but not capitalised. The lease has a term of 12 months and will expire on 17 August 2023.

No later than 12 months:

- short-term leases	6,650	-
Minimum lease payments	6,650	-

NOTE 21. AUDITOR'S REMUNERATION

Remuneration of the auditor:

– auditing the financial statements	20,900	18,900
– other	2,300	3,800
	23,200	22,700

NOTE 22: MEMBERS' GUARANTEE

Carers ACT Limited is incorporated under the *Corporation Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the number of members was 7 (2022: 6).

NOTE 23: ENTITY DETAILS

The registered office and principal place of the business of the entity is:
2/80 Beaurepaire Crescent
Holt ACT 2615

CARERS ACT LIMITED
ABN 99 732 929 957
Directors' declaration

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 2023 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

Dated: 09 October 2023



Lachlan Abbott
Director

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 2023, 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 2023 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 (including Independence Standards)* (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.

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 2023 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.

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.

Liability limited by a scheme approved under Professional Standards Legislation

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

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
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 9th day of October 2023