

# Financial Reporting

FOR THE YEAR ENDED 30 JUNE 2020

United Disability Care Pty Ltd and its Controlled Entities  
ABN 75 065 087 210

The directors present their report, together with the financial statements of the Group, being the Group and its controlled entities, for the financial year ended 30 June 2020.

## General Information

### Directors

The names of the directors in office at any time during, or since the end of the year are:

Names	Position	Appointment/Resignation Date
Roger Mallory Emmerson	Chairman	Appointed 06/03/2017
Andrew Brian Antonopoulos	Director	Appointed 06/03/2017
Sylvia Capps	Director	Appointed 20/06/2019
John Margerison	Director	Appointed 17/06/2020, Resigned 27/08/2020

### Company secretary

Andrew Brian Antonopoulos held the position of Group secretary during and at the end of the financial year.

### Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were disability services and support.

There were no significant changes in the nature of the Group's principal activities during the financial year.

### Operating results and review of operations for the year

#### Operating results

The profit of the Group for the financial year after providing for income tax amounted to \$1,241,255 (2019: \$482,328 profit).

Other items


Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of United Disability Care Pty Ltd and its Controlled Entities.

**Auditor's Independence declaration**

The auditor's independence declaration in accordance with section 60-40 of the Charities and Not-for-profits Commission Act 2012 for the year ended 30 June 2020 has been received and can be found on page 3 of the financial report.

**Director:** 

**Director:** 

Dated this 1st day of December 2020

**Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of United Disability Care Pty Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**DICKFOS DUNN ADAM**  
**Audit & Assurance**

30.11.2020



Dated  
SOUTHPORT

**T L Adam**

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
	4	\$	\$
Revenue and other income		40,666,531	31,172,161
Interest received		16,569	3,849
Dividend income		359,126	-
Employee benefits expense		(27,382,689)	(22,804,063)
Depreciation and amortisation expense		(347,406)	(211,575)
Motor vehicle expenses		(146,368)	(203,097)
Client services expenses		(665,219)	(1,642,635)
Service house expenses		(415,674)	(397,161)
Operating expenses		(6,722,384)	(5,265,617)
Impairment - goodwill		(2,879,383)	-
Finance expenses		(1,171,875)	(20,547)
<b>Profit before income tax</b>		<b>1,311,228</b>	<b>631,315</b>
Income tax expense	2(c)	(69,973)	(148,988)
Profit from continuing operations		1,241,255	482,327
<b>Profit for the year</b>		<b>1,241,255</b>	<b>482,327</b>
<b>Other comprehensive income for the year, net of tax</b>			
<b>Total comprehensive income for the year</b>		<b>1,241,255</b>	<b>482,327</b>

The accompanying notes form part of these financial statements.  
See full Financial report: [uniteddisability.com.au/about-us/organisationalinformation](http://uniteddisability.com.au/about-us/organisationalinformation)

# Consolidated Statement of Financial Position

AS AT 30 JUNE 2020	Note	2020	2019
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,594,124	384,650
Trade and other receivables	6	1,876,958	2,255,072
Current tax receivables		10,041	-
Other assets	9	136,204	126,084
<b>TOTAL CURRENT ASSETS</b>		<b>3,617,327</b>	<b>2,765,806</b>
<b>NON-CURRENT ASSETS</b>			
Borrowing costs		-	948
Property, plant and equipment	7	7,222,866	6,121,913
Intangible assets	8	24,785,803	3,201,321
<b>TOTAL NON-CURRENT ASSETS</b>		<b>32,008,669</b>	<b>9,324,182</b>
<b>TOTAL ASSETS</b>		<b>35,625,996</b>	<b>12,089,988</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	527,237	1,624,353
Borrowings	11	3,048,298	2,969,459
Current tax liabilities		-	99,963
Employee benefits	13	1,083,803	969,113
Other liabilities	12	2,577,725	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,237,063</b>	<b>5,662,888</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	20,324,935	-
Employee benefits	13	1,284,279	888,636
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>21,609,214</b>	<b>888,636</b>
<b>TOTAL LIABILITIES</b>		<b>28,846,277</b>	<b>6,551,524</b>
<b>NET ASSETS</b>		<b>6,779,719</b>	<b>5,538,464</b>
<b>EQUITY</b>			
Issued capital		5	5
Reserves		132,000	132,000
Retained earnings		6,647,714	5,406,459
<b>TOTAL EQUITY</b>		<b>6,779,719</b>	<b>5,538,464</b>

# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	Total
		\$	\$	\$	\$
<b>2020</b>					
<b>Balance at 1 July 2019</b>	5	5,406,459	132,000		5,538,464
Profit attributable to group	-	1,241,255	-		1,241,255
<b>Balance at 30 June 2020</b>	5	6,647,714	132,000		6,779,719
<b>2019</b>					
<b>Balance at 1 July 2018</b>	5	4,924,131	132,000		5,056,136
Profit attributable to group	-	482,328	-		482,328
<b>Balance at 30 June 2019</b>	5	5,406,459	132,000		5,538,464

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		10,944,174	10,583,578
Receipt from grants and subsidies		32,669,002	(19,447,491)
Payments to suppliers and employees		(35,920,042)	(30,818,917)
Dividends received		475,947	-
Interest received		16,569	3,849
Finance costs		(1,171,875)	(23,151)
Income taxes paid		(296,798)	(148,988)
Net cash provided by/(used in) operating activities		<b>6,716,977</b>	<b>(956,138)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment		6,730	946,711
Purchase of plant and equipment		(1,455,089)	(150,261)
Payment for subsidiaries, net of cash acquired		-	(3,256,043)
Net cash provided by/(used in) investing activities		<b>(1,448,359)</b>	<b>(2,459,593)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from related party loans		-	3,125,000
Repayment of leases		(12,007)	(30,143)
Repayment of loans		(4,047,137)	-
Dividends paid		-	(443,000)
Net cash provided by/(used in) financing activities		(4,059,144)	2,651,857
Net increase/(decrease) in cash and cash equivalents held		1,209,474	(763,874)
Cash and cash equivalents at beginning of year		384,650	1,148,524
Cash and cash equivalents at end of financial year	5	<b>1,594,124</b>	<b>384,650</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2020

The financial report covers United Disability Care Pty Ltd and its controlled entities ('the Group'), United Disability Care Pty Ltd (the parent) is a not-for-profit Company, registered and domiciled in Australia. The ABN on the parent is 75 065 087 210.

The parent entity exercises control and owns at 30 June 2020:

- 100% of subsidiary Adelaide Supportive Care Pty Ltd (2019: 100%). Shares were purchased shares 31 May 2019.
- 100% of subsidiary DJ Health Holdings Pty Ltd (2019: 0%). Shares were purchased 31 January 2020. DJ Health Holdings owns 100% of subsidiaries of DJ Health Services Pty Ltd and DJ Health Pty Ltd.

The consolidated financial statements are presented in Australian dollars which is the parent and subsidiaries functional and presentation currency.

The financial report was authorised for issue by those charged with governance on the date of signing of the Responsible Persons' Declaration.

The 30 June 2020 financial statements are first time consolidated financial statements. Comparatives therefore reflect the consolidated group of United Disability Care Pty Ltd (the parent) and Adelaide Supportive Care Pty Ltd (subsidiary - purchase 100% of shares 31 May 2019).

### 1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

### 2. Summary of Significant Accounting Policies

#### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

#### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method.

#### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

## 2. Summary of Significant Accounting Policies

### (b) Revenue and other income

#### Revenue from contracts with customers

Revenue is recognised by applying a five-step method as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### *Grants under AASB 15*

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

#### Statement of financial position balances relating to revenue recognition

##### Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

##### Contract cost assets

The Group recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfill a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.



## 2. Summary of Significant Accounting Policies

### (c) Income Tax

#### *Parent*

The parent Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### *Subsidiaries*

The income tax expenses (revenue) for the year comprises current income tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

### (d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (e) Economic dependence

United Disability Pty Ltd and its Controlled Entities are dependent on continued funding from the Department of Health and Ageing and the National Disability Insurance Agency for the delivery of the majority of its services.

Directors have no reason to believe on-going financial support wont be provided by relevant funding.

### (f) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

#### **Land and buildings**

Land and buildings are measured using the revaluation model.

#### **Plant and equipment**

Plant and equipment are measured using the cost model.

#### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

## 2. Summary of Significant Accounting Policies

### (f) Property, plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.00% - 10.00%
Plant and Equipment	7.50% - 50.00%
Motor Vehicles	20.00%
Computer Software	40.00%
Leasehold improvements	2.00% - 10.00%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

### (g) Intangibles

#### Goodwill arising from acquisition of subsidiaries

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that of:

Goodwill arising from acquisitions of subsidiaries

- liabilities related to employee benefits arrangements are recognised and measured in accordance with AASB119 'Employee Benefits.'

Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### (h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (i) Leases

#### Finance Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

## 2. Summary of Significant Accounting Policies

Finance leases are capitalised by recoding an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

### Adoption of short term leases or low value asset exception

The Group has elected to apply the exceptions to lease accounting for leases in accordance with AASB 16 Leases for low-value assets and short term rentals (less than 12 months).

The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### (j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

## 3. Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

### Key estimates - impairment of goodwill

In accordance with AASB 136 Impairment of Assets, the Group is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cashflow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

### Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 30 June 2018. Those charged with governance have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date,

#### 4 Revenue and Other Income

	2020	2019
	\$	\$
<b>Grant income</b>		
ADHC funding	-	1,685
Department of Veteran Affairs	-	134
Disability SA funding	-	415
DSQ funding	-	1,361,425
Over 65's	1,185,737	1,285,459
NDIS funding	28,758,339	16,608,649
<b>Total grant income</b>	<b>29,944,076</b>	<b>19,257,767</b>
<b>Other income</b>		
Fee for service income	5,649,531	1,589,247
Brokerage income	4,178,074	9,274,348
Service recoveries	667,194	620,137
Other income	73,726	49,657
Gain on disposal of property, plant and equipment	6,730	303,553
Workers compensation reimbursements	147,200	77,452
<b>Total other income</b>	<b>10,722,455</b>	<b>11,914,394</b>
<b>Total revenue and other income</b>	<b>40,666,531</b>	<b>31,172,161</b>

#### 5. Cash and Cash Equivalents

	2020	2019
	\$	\$
<b>Cash on hand</b>	473	75
Bank balances	1,593,651	384,575
<b>Total cash and cash equivalents</b>	<b>1,594,124</b>	<b>384,650</b>

#### 6. Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	592,066	864,154
NDIS debtor	1,054,850	741,356
Accrued income	-	225,000
GST receivable	164,714	216,116
Other debtors	-	208,446
Plan managed client debtor	15,328	-
Cash flow boost receivables	50,000	-
<b>Total current trade and other receivables</b>	<b>1,876,958</b>	<b>2,255,072</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## 7. Property, plant and equipment

	2020	2019
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At fair value	1,436,000	1,436,000
At cost	555,000	-
Total land	1,991,000	1,436,000
Buildings		
At fair value	3,348,459	3,348,459
At cost	1,957,759	1,252,759
Accumulated depreciation	(491,745)	(294,489)
Total buildings	4,814,473	4,306,729
<b>Total land and buildings</b>	<b>6,805,473</b>	<b>5,742,729</b>
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment	641,619	525,072
At cost	(460,167)	(402,512)
Accumulated depreciation	181,452	122,560
Total plant and equipment		
Furniture, fixtures and fittings		
At cost	257,790	260,546
Accumulated depreciation	(244,158)	(238,267)
Total furniture, fixtures and fittings	13,632	22,279
Motor Vehicles		
At cost	918,891	1,082,961
Accumulated depreciation	(845,484)	(1,004,732)
Total Motor Vehicles	73,407	78,229
Computer software		
At cost	56,321	-
Accumulated depreciation	(24,231)	-
Total Computer software	32,090	-
Leasehold improvements		
At cost	343,987	370,439
Accumulated depreciation	(227,175)	(214,323)
Total leasehold improvements	116,812	156,116
Total plant and equipment	417,393	379,184
<b>Total property, plant and equipment</b>	<b>7,222,866</b>	<b>6,121,913</b>

## 7. Property, plant and equipment

### (a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Software	Leasehold Improvements	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020								
Balance at the beginning of year	1,436,000	4,306,729	122,560	22,279	78,229	-	156,116	6,121,913
Additions	555,000	705,000	81,543	6,664	-	-	22,090	1,370,297
Additions through acquisition of entity	-	-	17,522	2,848	18,078	39,614	-	78,062
Depreciation expense	-	(197,256)	(40,173)	(18,159)	(22,900)	(7,524)	(61,394)	(347,406)
<b>Balance at the end of the year</b>	<b>1,991,000</b>	<b>4,814,473</b>	<b>181,452</b>	<b>13,632</b>	<b>73,407</b>	<b>32,090</b>	<b>116,812</b>	<b>7,222,866</b>

### 8. Intangible Assets

	2020	2019
	\$	\$
NON-CURRENT		
Goodwill arising from acquisition of subsidiaries	24,785,803	3,201,321
<b>Total goodwill</b>	<b>24,785,803</b>	<b>3,201,321</b>

### 9. Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	102,789	108,661
Deposits paid	33,415	17,423
<b>Total other assets</b>	<b>136,204</b>	<b>126,084</b>

### 10. Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	138,364	450,241
Accruals and other creditors	196,314	454,545
Superannuation payable	190,788	199,208
PAYG payable	-	485,549
Client funds held	1,640	34,810
Withholding tax payable	131	-
<b>Total trade and other payables</b>	<b>527,237</b>	<b>1,624,353</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**11. Borrowings**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
CURRENT			
Finance leases		12,007	44,459
Loan from related party - DJ Health Pty Ltd		-	2,925,000
Interest free loan from related party		435,119	-
Vendor finance loan from related party		2,100,000	-
Loan from related party - DJ Property Pty Ltd		501,172	-
<b>Total current borrowings</b>		<b>3,048,298</b>	<b>2,969,459</b>
NON-CURRENT			
Vendor finance loan from related party		16,314,389	-
Loan from related party - DJ Property Pty Ltd		4,010,546	-
<b>Total borrowings</b>		<b>23,373,233</b>	<b>2,969,459</b>
<b>Total non-current borrowings</b>		<b>20,324,935</b>	<b>-</b>
Leased liabilities are secured by the underlying leased assets.			

**12. Other Liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
NDIS advance	2,566,052	-
Donations held for future purpose	11,673	-
<b>Total other liabilities</b>	<b>2,577,725</b>	<b>-</b>

**13. Employee Benefits**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current liabilities		
Long service leave	146,696	120,371
Annual Leave	937,107	848,742
<b>Total current employee benefits</b>	<b>1,083,803</b>	<b>969,113</b>
Non-current liabilities		
Long service leave	1,284,279	888,636
<b>Total non-current employee benefits</b>	<b>1,284,279</b>	<b>888,636</b>

## 14. Reserves

### (a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on land. As at 30 June 2020, the balance of the reserve \$132,000 relates to an independent valuation of land in 2018.

## 15. Leasing Commitments

### (a) Operating leases

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	227,973	55,192
- between one year and five years	35,775	27,294
<b>Total present value of lease commitments</b>	<b>263,748</b>	<b>82,486</b>

Operating leases are in place for rental of service house rentals and office space rentals.

## 16. Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Group is \$566,519 (2019: \$235,834).

Included in the 2020 key management personnel disclosure are Directors, Chief Executive Officer, Quality and Safeguarding Manager, General Manager Service Delivery, Operations Manager, Clinical Manager.

Included in the 2019 key management personnel disclosure are Directors, General Manager, Funding Specialist and Chief Executive Officer.

## 17. Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment
- Land
- Buildings

The last independent valuation of these asset classes was performed on 30 June 2018.

## 18. Contingencies

In the opinion of those charged with governance, the Group did not have any contingencies at 30 June 2020 (20 June 2019: None).



## **19. Related Parties**

### **(a) The Group's main related parties are as follow:**

The ultimate parent entity, which exercises control over the Group, is United Disability Care Pty Ltd which is incorporated in Australia and owns:

- 100% of subsidiary Adelaide Supportive Care Pty Ltd (2019: 100%). Shares were purchased shares 31 May 2019.
- 100% of subsidiary DJ Health Holdings Pty Ltd (2019: 0%). Shares were purchased 31 January 2020. DJ Health Holdings owns 100% of subsidiaries of DJ Health Services Pty Ltd and DJ Health Pty Ltd.

Key management personnel - refer to Note 16.

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

### **Other related parties**

Corporate Link Service Pty Ltd: A company owned by Mr J Margerison (Shareholder) from 6 March 2017.

Lincs Pty Ltd: A company owned by Mr J Margerison (Shareholder) from 6 March 2017

ABA Consulting Services Pty Ltd: A company owned by Mr A Antonopoulos (Director)

DJ Health Services Pty Ltd: A company owned by Mr J Margerison (Shareholder) - Related party until 31 January 2020 (date became subsidiary of parent).

DS IP & Technology Pty Ltd: A company owned by Mr J Margerison (Shareholder)

DJ Property Pty Ltd: A company owned by Mr J Margerison (Shareholder)

### **(b) Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

## 19. Related Parties (Continued)

### (b) Transactions with related parties

	<b>Purchases</b>	<b>Sales</b>	<b>Balance outstanding</b>	
			<b>Owed to the group</b>	<b>Owed by the group</b>
			<b>\$</b>	<b>\$</b>
Corporate Link Services Pty Ltd	4,356,203	21,295	-	-
ABA Consulting Services Pty Ltd	107,516	-	1,420	-
DJ Health Service Pty Ltd (before acquisition)	463,268	4,929,240	-	-
DJ Health Pty Ltd (before acquisition)	223,995	-	-	-
DS IP & Technology Pty Ltd	580,114	-	46,515	-

## 20. Related Parties (Continued)

### (c) Loans from related parties

Unsecured loans are made to the ultimate parent entity on an arm's length basis

#### Vendor finance loan from Shareholder (Mr J Margerison)

The payment term of the loan is 10 years after the interest commencement date of 1 February 2020. The loan is unsecured and repayable in cash.

#### Interest free advance from Shareholder (Mr J Margerison)

The payment term of the loan is 12 months from date of advance 31 January 2020. The loan is unsecured and repayable in cash.

#### Related party loan from DJ Property Pty Ltd Loan

The payment term of the loan is 10 years after the interest commencement date of 1 April 2020. The loan is unsecured and repayable in cash.

	Closing balance
	\$
Loan from DJ Property Pty Ltd - 2020	4,511,717
Interest free advance from Shareholder (Mr J Margerison) - 2020	435,119
Vendor finance loan from Shareholder (Mr J Margerison) - 2020	18,414,389

## 21. Events after the end of the Reporting Period

The financial report was authorised for issue on the date of signing of the Responsible Persons' Declaration.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

### 21. Statutory Information

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

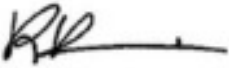

United Disability Care Pty Ltd and its Controlled Entities  
Level 5, 35 Robina Town Centre Drive  
ROBINA QLD 4230

## Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person  ..... Responsible person  .....

Dated .....01.12.2020.....

**UNITED DISABILITY CARE PTY LTD**

ABN 75 065 087 210

**INDEPENDENT AUDITORS REPORT TO THE  
MEMBERS OF UNITED DISABILITY CARE PTY LTD**

*Unqualified Auditors Opinion*

We have audited the financial report of United Disability Care Pty Ltd (the company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report is in accordance with Division 60 the Australian Charities and Not-For-Profits Commission Act 2012, including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of division 60 of the Australian

Charities and Not-For-Profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-For-Profits Commission Act 2012, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Limitation in Scope – Government Funding*

The company receives funding from funding bodies in respect of the funding agreement between both parties for the provision of disability services. Our audit report or audit engagement does not validate that the funds have been expensed in line with the funding agreement as this is outside the scope of our audit engagement

*Responsibilities of the Directors of the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of Australian Accounting Standards – Reduced Disclosure Requirements, Division 60 of the Australian Charities and Not-For-Profits Commission and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

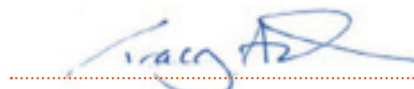
*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 company'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 director's 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 company'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 company 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.

**DICKFOS DUNN ADAM**  
**Audit & Assurance**



**Dated** 02.12.2020

**T L Adam**

**SOUTHPORT**



United Disability Care Level 5, 35 Robina Town Centre Drive, Robina, QLD 4226.  
**Offices:** 4 Gerard Drive, Coffs Harbour NSW 2450 | 47 Adelaide Road, Gawler SA 5118

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