Financial **Reporting**

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report on United Disability Care Pty Ltd and Its Controlled Entities for the financial year ended 30 June 2021.

General Information

Directors

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

Names	Position
Roger Emmerson	Chairman
Sylvia Capps	Director
Andrew Antonopoulos	Director

Company secretary

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

Review of operations

The loss of the Company after providing for income tax amounted to $ (1,545,967) (2020: $1,241,255 profit).

Significant changes in state of affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Supported Independent Revenue has declined as a result of the amendments made by the NDIS costing too! which included removal of 3 weeks of Supported Independent Living (SIL) funding for every client.

The COVID 19 pandemic continues to affect businesses with lockdowns and government imposed restrictions on interstate travel. The Directors have assessed that there is expected to be a minimal financial impact on the Group operations, although there is a risk if lessees are impacted with their trade and cashflow and timing of settlement of lease rentals.

Principal activities and significant changes in nature of activities

The principal activities of United Disability Care Pty Ltd and its Controlled Entities during the financial year were disability service and support.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, tl1e results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments

The Company will continue to pursue its policy of providing disability services and support. Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

General Information

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 it's 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 2022 has been received and can be found on page 3 of the financial report.

Director: **Director:**

Dated this 12th day of November 2021

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 2021, 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.

1.11.2021
Dated
SOUTHPORT

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Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		$	$
Revenue and other income	4	44,032,815	40,666,531
Interest income		1,277	16,569
Dividend Income		-	359,126
Employee benefits expense		(29,944,808)	(27,382,689)
Depreciation and amortisation expense		(542,346)	(347,406)
Motor vehicle expense		(122,164)	(146,368)
Client service expense		(480,769)	(665,219)
Service house expense		(599,936)	(415,674)
Impairment - goodwill		(4,341,668)	(2,879,383)
Finance expense		(2,208,201)	(1,171,875)
Other significant operating expenses	5	(7,340,181)	(6,722,382)
Profit before income tax		**(1,545,967)**	**1,311,228**
Income tax expense	2(c)	-	(69,973)
Profit from continuing operations		**(1,545,967)**	1,241,255
Profit for the year		**(1,545,967)**	1,241,255
Total comprehensive income, net of income tax			
Total comprehensive income for the year		**(1,545,967)**	1,241,255

Statement of Financial Position

AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	715,532	1,594,124
Trade and other receivables	7	1,679,075	1,886,999
Inventories	8	11,781	-
Other assets	9	224,392	136,205
TOTAL CURRENT ASSETS		**2,630,780**	3,617,328
NON-CURRENT ASSETS			
Other assets	9	83,908	-
Right of use assets	10	1,708,733	-
Property, plant and equipment	11	7,011,687	7,222,865
Intangible assets	12	20,444,135	24,785,803
TOTAL NON-CURRENT ASSETS		**29,248,463**	32,008,668
TOTAL ASSETS		**31,879,243**	35,625,996
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,227,437	527,237
Borrowings	14	1,208,257	3,048,298
Lease liabilities	10	498,315	-
Employee benefits	15	1,198,339	1,083,803
Other liabilities	16	110,235	2,577,725
TOTAL CURRENT LIABILITIES		**4,242,583**	**7,237,063**
NON-CURRENT LIABILITIES			
Borrowings			
Lease liabilities	14	20,509,591	20,324,935
Employee benefits	10	1,042,806	-
Other liabilities	15	850,511	1,284,279
TOTAL NON-CURRENT LIABILITIES		**22,402,908**	**21,609,214**
TOTAL LIABILITIES		**26,645,491**	**28,846,277**
NET ASSETS		**5,233,752**	**6,779,719**
EQUITY			
Issued capital			
Retained earnings		5	5
TOTAL EQUITY		**5,233,752**	**6,779,714**
		5,233,752	**6,779,714**

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2021

2021	Ordinary Shares $	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2020	5	6,647,714	132,000	6,779,719
Loss attributable to group	-	(1,545,967)	-	(1,545,967)
Balance at 30 June 2021	**5**	**5,101,747**	**132,000**	**5,233,752**
2020				
Balance at 1 July 2019	5	5,406,459	132,000	5,538,464
Loss attributable to group	-	1,241,255	-	1,241,255
Balance at 30 June 2020	**5**	**6,647,714**	**132,000**	**6,779,719**

The accompanying notes form a part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		10,720,655	10,944,174
Receipt from grants and subsidies		31,214,185	32,669,002
Payments to suppliers and employees		(38,855,194)	(35,920,042)
Dividends received		-	475,947
Interest received		1,278	16,569
Finance costs		(1,805,354)	(1,171,875)
Income taxes paid		-	(296,798)
Net cash provided by/(used in) operating activities		1,275,570	6,716,977
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		8,977	6,730
Purchase of property, plant and equipment		(2,048,877)	(1,455,089)
Net cash provided by/(used in) investing activities		(2,039,900)	1,448,359)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		1,691,093	-
Repayment of leases		(233,879)	(12,007)
Repayment of loans		(1,571,476)	(4,047,137)
Net cash provided by/(used in) financing activities		(114,262)	(4,059,144)
Net increase/(decrease) in cash and cash equivalents held		(878,592)	1,209,474
Cash and cash equivalents at beginning of year		1,594,124	384,650
Cash and cash equivalents at end of financial year	6	715,532	1,594,124

The accompanying notes form a part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

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 of the Parent is 75 065 087 210.

The Parent entity exercises control and owns at 30 June 2021:

- 100% of subsidiary Adelaide Supportive Care Pty Ltd (2020: 100%). Shares were purchased shares 31 May 2019.
- 100% of subsidiary DJ Health Holdings Pty Ltd (2021: 100%). Shares were purchased 31 January 2020.

DJ Health Services Pty ltd has been 100% disposed in February 2021.

The functional and presentation currency of United Disability Care Pty Ltd and its Controlled Entities is Australian dollars.

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

The prior year financial statements are first time consolidated financial statements. Comparatives therefore reflect the consolidated group of United Disability Care Ply Ltd (the parent) and all acquired subsidiaries.

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.*

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards. The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060, Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

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 22 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

2 Summary of Significant Accounting Policies

(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.

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. Revenue is recognised by applying a five-step mode! 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 metllods 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Statement of financial position balances relating to revenue recognition

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 fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Other income

Donations must be spent in line with donors request income in.

Interest revenue is recognised using the effective interest rate method.

(c) Income Tax

Parent

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

Subsidiaries

The income tax expense (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 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

2 Summary of Significant Accounting Policies

(e) Economic dependence

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

Directors believe that ongoing financial support will continue to be provided by relevant funding bodies.

(f) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(g) 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 significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

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

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%
Right-of-Use - Buildings	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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

2 Summary of Significant Accounting Policies

(h) 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:

•liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 119 'Employee Benefits'.

Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;

ii) any non-controlling interest; and

iii) 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 impairment triggers are identified.

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.

(i) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

2 Summary of Significant Accounting Policies

(j) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed

-The lease payment change due to changes in an index or rate or a change in expected payments under a guaranteed residual value, in which cases the lease liability is remeasures by discounting the revised lease payment using an unchanged discount rate (unless the lease payment change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right of use asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position. The Group applies AASB 136 Impairment of Assets to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

(k) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

3 Critical Accounting Estimates and Judgments

Thoes 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 goodwill, 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 goodwill can be supported by the net present value of anticipated future cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter

Key estimates - provisions of long service leave

As described in the accounting policies, provisions are measured at management's best estimate. Non - current portion of long service leave is set at 10%.

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.

Key estimates - property held at fair value

An independent valuation of property (!and and buildings) carried at fair value was obtained on 30 June 2018. 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

4 Revenue and Other Income

	2021 $	2020 $
Funding Income		
NDIS funding	33,742,671	28,758,339
Over 65's	1,188,995	1,185,737
Total funding income	34,931 1666	29,944,076
Other Income		
Service recoveries	646,341	667.194
Fee for service income	8,129,000	5,649,531
Brokerage income	-	4,178,074
Profit on sale of assets	78,578	6,730
Other income	63,277	73,726
Reimbursement of occupancy charges	87,394	-
Workers Comp Reimbursements	146,559	147,200
Total other income	9,101,149	10,722,455
Total revenue and other income	44,032,815	40,666,531

5 Other operating expenses

	2021 $	2021 $
Operating expenses		
Staff Training, Meeting & Appraisals	108,110	36,345
Workers Compensation Wages	161,187	-
Workers Compensation	936,234	850,528
Accounting Fees	52,650	30,964
Computer Expenses	60,213	13,582
Consultancy Fees	206,645	367,020
Insurance - Public Liabilty	75,454	71,887
IP Expenses	440,306	527,377
License Fees	163,438	87,321
Legal Expenses	70,640	108,913
Office Rent	111,304	239,365
Office Telephone	84,923	100,676
Administration Expenses	4,506,305	3,960,128
Staff Amenities	48,278	51,639

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

6 Cash and Cash Equivalents	**2021**	**2021**
	$	$
Cash on hand	1,092	473
Bank balances	714,440	1,593,651
Total cash and cash equivalents	715,532	1,594,124

7 Trade and other receivables	**2021**	**2020**
	$	**$**
GST receivable	186,566	164,714
Current tax receivables	1,345	10,041
Trade receivables	591,066	592,066
NDIS debtor	900,098	1,054,850
Cashflow boost	-	50,000
Plan managed client debtor	-	15,328
Total current trade and other receivables	1,679,075	1,886,999

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

8 Inventories	**2021**	**2021**
	$	$
At cost:		
Merchandise	11,781	-
Total inventory	11,781	-

9 Other Assets	**2021**	**2021**
	$	$
Current	99,137	102,790
Prepayments	125,255	33,415
Deposits paid	224,992	136,205
Total current other assets		
Non - Current		
Q-Leave PLSL Credits	83,908	-
Total non-current other assets	83,908	-
Total other assets	308,300	136,205

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

10 Lease

Right-of-use assets	**Office Premises**	**Total**
Year ended 30 June 2021	$	$
Asset balance	1,947,087	1,947,087
Accumulated depreciation charge	(238,354)	(238,354)
Additions to right-of-use assets	1,708,733	1,708,733
Balance at end of year		

Lease liabilities	**2021**	**2020**
	$	$
Current		
Operating- lease of premises	498,315	-
Total current lease liability	498 315	-
Non-current		
Operating- lease of premises	1,042,806	-
Total non-current lease liability	1,042,806	-
Total Lease liabilities	1,541, 121	-

leased liability are secured by the underlying leased assets.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

11 Property, plant and equipment	**2021**	**2020**
	$	$
Freehold land		
At fair value	1,436,000	1,436,000
At Cost	555,000	555,000
Total Land	1,991,000	1,991,000
Buildings		
At fair value	3,348,459	3,348,459
At cost	1,957,759	1,957,759
Accumulated depreciation	(648,207)	(491,745)
Total buildings	4,658,011	4,814,473
Plant and equipment		
At cost	594,316	641,619
Accumulated depreciation	(427,801)	(460,167)
Total plant and equipment	166,515	181,452
Furniture, fixtures and fittings		
Motor vehicles		
At cost	674,396	918,890
Accumulated depreciation	(629,318)	(845,484)
Total motor vehicles	45,078	73,406
Office equipment		
At cost	269,943	257,790
Accumulated depreciation	(233,979)	(244,158)
Total office equipment	35,964	13,632
Computer equipment		
At cost		
Computer software	-	56,321
At cost	-	(24,231)
Total computer software	-	32,090
Leasehold Improvements		
At cost	373,105	343,987
Accumulated depreciation	(257,986)	227,987
Total leasehold improvements	115,119	116,812
Total property, plant and equipment	7,011,687	7,222,865

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

11 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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 2021									
Balance at the beginning of year	1,991,000	4,814,473	181,452	13,632	73,407	32,090	116,812	-	7,222,866
Additions	-	-	79,314	35,386	24,376	-	29,118	-	168,194
Transfer of assets - DJ Health	-	-	(66,404)	-	-	-	-	-	(66,404)
Disposals	-	-	-	-	(8,977)	-	-	-	(8,977)
Depreciation expense	-	(156,462)	(78,574)	(10,538)	(27,607)	-	(30,811)	-	(303,992)
Balance at the end of the year	1,991,000	4,658,011	115,788	38,480	61,199	32,090	115,119	-	7,011,687

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

12 Intangible Assets	**2021** $	**2021** $
Goodwill		
At Fair Value:		
Goodwill Arising from acquisition of subsidiaries	20,444,135	24,785,803
Total Intangible assets	20,444,135	24,785,803

13 Trade and Other Payables	**2021** $	**2021** $
Trade payables	726,975	138,364
PAYG payable	90,881	-
Accruals and other creditors	202,864	196,314
Superannuation payable	206,717	190,788
Credit funds held	-	1,640
Withholding tax payable	-	131
Total trade and other payables	1,227,437	527,237

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.

14 Borrowings	**2021** $	**2020** $
CURRENT		
Finance lease	-	12,007
Interest free loan from related party	-	435,119
Vendor finance loan from related party	1,208,257	2,100,000
Loan from related party - DJ Property Pty Ltd	-	501,172
Total current borrowings	1,208,257	3,048,298
NON-CURRENT		
Vendor finance loan from related party	15,997,874	16,314,389
Loan from related party - DJ Property Pty Ltd	4,511,717	4,010,546
Total non-current borrowings	20,509,591	20,324,935
Total borrowings	21,717,848	23,373,233

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

15 Employee Benefits	**2021** $	**2020** $
CURRENT		
Long service leave	94,501	146,696
Provision for annual leave	1,103,838	937,107
Total current provision	1,198,339	1,083,803
NON-CURRENT		
Long service leave	766,603	1,284,279
Q-leave	83,908	-
Total non-current provision	850,511	1,284,279

16 Other Liabilities

	2021 $	**2021** $
CURRENT		
Recurrent funds received	99,239	-
NDIS advance payments	-	2,566,052
Donations held for specific purpose	10,996	11,673
Total other liabilities	110,235	2,577,725

17 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on land. As at 30 June 2021, the balance of the reserve $132,000 relates to an independent valuation of land in 2018.

18 Leasing Commitments

Operating Lease

	2021 $	**2020** $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	227,973
- between one year and five years	-	35,775
	-	263,748

Operating lease are in place for rental of office space rentals.

All operating leases are held on the balance sheet due to the adaptation of the leasing standard.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

18 Fair Value Measurement

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

Property, Plant and Equipment

- Land

- Building

19 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of the Group is $748,575 (2020: $566,519).

Includes in the 2021 key management personnel disclosed are Directors, Chief Executive Officer, Quality and Safeguarding Manager, General Manager Service Delivery, Operations Manager and Clinical Manager.

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

20 Contingencies

In the opinion of, the Company did not have any contingencies at 30 June 2021 (30 June 2020 :None).

21 Related Parties

(a) The Group's main related parties are as follows:

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

-100% of subsidiary Adelaide Supportive Care Pty Ltd (2020: 100%). Shares were purchased shares 31 May 2019.

-100% of subsidiary DJ Health Holdings Pty Ltd (2020: 100%). Shares were purchased 31 January 2020.

DJ Health Services Pty ltd has been 100% disposed in February 2021.

Key management personnel - refer to Note 20.

Other related parties include:

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

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

DJ Health Services Pty Ltd: A subsidiary until 1/2/2021

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

21 Related Parties

(a) The Group's main related parties are as follows:

DJ Property Ply 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:

	Purchases $	Sales $	Balance outstanding Owed to the Group $	Balance outstanding Owed by the Group $
2021				
DS IP & Technology Pty Ltd	482,403	25,015	3,960	38,500
Corporate Link Services Pty Ltd	4,984,378	118,748	12,144	192,090
ABA Consulting Services Pty Ltd	27,772	-	-	-

(c) Loans from related parties

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

Vendor finance loan from Investor (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. Per the signed agreement, the interest rate applied is set at 10% p.a

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. Per the signed agreement, the interest rate applied is set at 10% p.a.

	Closing balance $
Loans from DJ Property Pty Ltd	
2021	4,511,717
Vendor finance loan from Investor (Mr J Margerison)	
2021	17,206,131

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

22 Events after the end of the Reporting Period

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.

The COVID 19 pandemic continues to affect businesses with lockdowns and government imposed restrictions on interstate travel. The Directors have assessed that there is expected to be a minimal financial Impact on the Group operations, although there is a risk if lessees are impacted with their trade and cashflow and liming of settlement of lease rentals.

23 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 OLD 4230

Directors' Declaration

The directors of the Company declare that:

• in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

• in the directors' opinion, the attached financial statements and notes are in accordance with 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.*

Director ..... Sylvia Capps

Director .....

Dated 12/11/2021

UNITED DISABILITY CARE PTY LTD AND ITS CONTROLLED ENTITIES
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
UNITED DISABILITY CARE PTY LTD AND ITS CONTROLLED ENTITIES

Unqualified Auditors Opinion
We have audited the financial report of United Disability Care Pty Ltd and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards - Simplified Disclosures.

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 group 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 group, 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 group 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 group 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 I 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 group'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 group 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 group'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 group'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 group 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

.....DDA.....

Daled .....24.11.2021.....
SOUTHPORT

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T L Adam

United DisAbility

www.uniteddisability.com.au