

FINANCIAL Reporting

FOR THE YEAR ENDED 30 JUNE 2024

The directors present their report on United Disability Care Pty Ltd and Its Controlled Entities for the financial year ended 30 June 2024.

General Information

Directors

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

Names	Position	Appointed/Resigned
Roger Emmerson	Chairperson	
Andrew Antonopoulos	Director	
Trina Hockley	Director	
Sylvia Capps	Director	10 September 2024

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

The following person held the position of Group secretary at the end of the financial year: Trina Hockley.

Review of operations

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$(4,231,820) (2023 loss: \$(3,260,934))

Significant changes in state of affairs

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

Principal activities and significant changes in nature of activities

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

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

Events subsequent to reporting date

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

Likely developments

The Group is committed to continue its mission of providing high-quality disability services and support. It is actively exploring various strategic initiatives aimed at enhancing its service offerings and expanding its reach to serve a broader client base. The Directors anticipate these efforts will positively impact the Group's performance in the coming financial years. Specific details regarding these developments are proprietary and, if disclosed, could be detrimental to the Group's competitive position. Accordingly, further disclosure will be made at a time when it is deemed appropriate and less likely to result in any unreasonable prejudice to the Group.

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 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 2024 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated this 4th day of December 2024

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF UNITED DISABILITY CARE PTY LTD AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) (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.

MGI Audit Pty Ltd



S C Greene

Director

Brisbane

4 December 2024

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
	Note	\$	\$
Revenue and other income	4	45,705,301	45,488,796
Interest Income		15,015	10,322
Employee benefits expense		(34,002,109)	(31,626,313)
Depreciation and amortisation expense		(1,219,154)	(1,516,567)
Motor vehicle expense		(114,202)	(124,470)
Client service expense		(1,936,801)	(1,773,727)
Service house expense		(591,840)	(624,171)
Impairment - goodwill		(3,312,648)	(4,236,532)
Finance expense		(2,071,402)	(2,147,440)
Other operating expenses		(6,703,980)	(6,710,832)
	5	(4,231,820)	(3,260,934)
Profit/(loss) before income tax		(4,231,820)	(3,260,934)
Income tax expense	[(c)]	-	-
Profit/(loss) for the year		(4,231,820)	(3,260,934)
Revaluation changes for property, plant and equipment		645,477	-
Revaluation adjustment on sale of freehold property		(107,691)	-
Other comprehensive income for the year, net of tax		537,786	-
Total comprehensive income for the year		(3,694,034)	(3,260,934)

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,551,890	2,208,137
Trade and other receivables	7	1,319,444	1,279,276
Inventories	8	11,738	11,738
Other assets	9	241,091	179,881
TOTAL CURRENT ASSETS		3,124,163	3,679,032
NON-CURRENT ASSETS			
Right-of-use assets	1	2,234,233	1,099,096
Property, plant and equipment	0	8,360,175	8,258,836
Intangible assets	1	12,516,524	16,124,172
TOTAL NON-CURRENT ASSETS	1	23,110,932	25,482,104
TOTAL ASSETS	2	26,235,095	29,161,136
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,079,125	1,135,904
Borrowings	14	-	2,801,376
Lease liabilities	10	790,010	518,612
Employee benefits	15	2,162,555	1,921,814
Other liabilities	16	36,470	30,994
TOTAL CURRENT LIABILITIES		4,068,160	6,408,700
NON-CURRENT LIABILITIES			
Borrowings	14	18,710,348	16,712,459
Lease liabilities	10	1,572,190	527,744
Employee benefits	15	310,141	243,943
TOTAL NON-CURRENT LIABILITIES		20,592,679	17,484,146
TOTAL LIABILITIES		24,660,839	23,892,846
NET ASSETS		1,574,256	5,268,290
EQUITY			
Issued capital		5	5
Asset revaluation reserve		3,941,886	3,404,100
Retained earnings		(2,367,635)	1,864,185
TOTAL EQUITY		1,574,256	5,268,290

The accompanying notes form a part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2024

2024

	Ordinary Shares \$	Retained Earnings \$	Asset Revaluation Surplus \$	Total \$
Balance at 1 July 2023	5	1,864,185	3,404,100	5,268,290
Loss attributed to group	-	(4,231,820)	-	(4,231,820)
Revaluation increment (decrement)	-	-	645,477	645,477
Revaluation adjustment on sale of freehold property	-	-	(107,691)	(107,691)
Balance at 30 June 2024	5	(2,367,635)	3,941,886	1,574,256

2023

	Ordinary Shares \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2022	5	5,125,119	3,404,100	8,529,224
Loss attributed to group	-	(3,260,934)	-	(3,260,934)
Balance at 30 June 2023	5	1,864,185	3,404,100	5,268,290

The accompanying notes form a part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and NDIA	45,778,525	47,459,898
Payments to suppliers and employees	(43,570,184)	(40,472,065)
Interest received	15,014	10,322
Finance costs	(1,914,209)	(2,147,440)
Net cash provided by/(used in) operating activities	<u>309,146</u>	<u>4,850,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	605,000	-
Purchase of property, plant and equipment	(131,775)	(13,189)
Net cash provided by/(used in) investing activities	<u>473,225</u>	<u>(13,189)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of leases	(635,131)	(610,423)
Repayment of borrowings	(803,487)	(3,141,514)
Net cash provided by/(used in) financing activities	<u>(1,438,618)</u>	<u>(3,751,937)</u>
Net increase/(decrease) in cash and cash equivalents held	(656,247)	1,085,589
Cash and cash equivalents at beginning of year	<u>2,208,137</u>	<u>1,122,548</u>
Cash and cash equivalents at end of financial year	<u>6</u> <u>1,551,890</u>	<u>2,208,137</u>

The accompanying notes form a part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

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

The Parent entity exercises control and owns at 30 June 2024:

-100% of subsidiary Adelaide Supportive Care Pty Ltd (2023: 100%).

-100% of subsidiary DJ Health Holdings Pty Ltd (2023: 100%).

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by those charged with governance on 4 December 2024

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures 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.

New and revised Australian Accounting Standards in issue for the current year

The following new accounting standards have been adopted by the Group for 2024. There was no material impact to the Group.

-AASB 2020-1 Amendments to Australian Accounting Standards -Disclosure of accounting policies;

-AASB 2020-1 Amendments to Australian Accounting Standards . Classification of Liabilities as Current or Non-Current;

-AASB 2021-2 Disclosure of Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.

-AASB 2021-5 Deferred tax related to assets and liabilities arising from a single transaction.

-AASB 2021-6 Amendments to AASB - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.

-AASB 2022-6 Amendments to Australian Accounting Standards - Non Current Liabilities with Covenants.

New and revised Australian Accounting Standards in issue for future years

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

1 Basis of Preparation

There are no Australian Accounting Standards for issue in future years that have been early adopted in the current financial year.

The financial statements have been prepared on an accruals 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.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

The Group has taken the opportunity to review its mapping of expenses in the 2024 financial year and has made the following changes. None of these changes have impacted the overall position of the Group, only expense totals between categories. 2023 mapping has been retrospectively amended as follows:

- AASB 16 interest: coded to finance cost from other operating expenses (2023 total: \$83,952)

- Amortisation expense of intellectual property intangible assets: coded to depreciation and amortisation expense from impairment- goodwill expense (2023 total: \$690,000).

2 Summary of Material Accounting Policy Information

(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 the same financial year end as the parent.

A list of controlled entities is contained in Note 22 to the financial statements.

Subsidiaries

Subsidiaries are all 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 2024

2 Summary of Material Accounting Policy Information

(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 control 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 model 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.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

2 Summary of Material Accounting Policy Information

(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.

Statement of financial position balances relating to revenue recognition 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.

Other income

Donations must be spent in line with donors request.

Interest revenue is recognised using the effective interest rate method.

(c) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus any deferred tax expense.

Parent: The parent company United Disability Care Pty Ltd 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 tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred taxes have not been recognised in the subsidiary companies, as it is not expected that taxable profits will be available in these companies against which a deductible temporary difference can be utilised, as these companies are dormant.

(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 2024

2 Summary of Material Accounting Policy Information

(e) Economic dependence

United Disability Care Pty Ltd and its Controlled Entities are dependent on continued funding from the Department of Health & Aged Care 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 are measured at the lower of cost and net realisable value.

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. Refer to note 3 - key estimation of property at fair value.

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 asset's 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%-15.00%
Plant and Equipment	7.50%-50.00%
Furniture, Fixtures and Fittings	10.00% - 40.00%
Motor Vehicles	15.00% - 30.00%
Computer Software	50.00% - 100.00%
Leasehold improvements	2.00%-40.00%
Right-of-Use - Buildings	Term of the lease

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

2 Summary of Material Accounting Policy Information

(g) Property, plant and equipment

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.

(h) Intangible assets

Goodwill

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. Goodwill is carried at cost less accumulated impairment losses.

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. Specific details on the Goodwill of the company and impairment assessments are provided in Note 12.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

2 Summary of Material Accounting Policy Information

(h) Intangible assets

Goodwill

Intellectual Property Acquired

Assets that meet the definition of an intangible asset per AASB 138 have been recognised at cost less any accumulated amortisation and impairment losses.

The amortisation rates used for each class of amortisable asset are shown below:

Category of intangible asset	Amortisation rate
Intellectual property	25%

(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 subject to an insignificant risk of change in value.

(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 remeasured 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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

2 Summary of Material Accounting Policy Information

(j) Leases

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 rightofuse 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 rightofuse asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Rental leases on the properties are exempt under AASB 16 under the term of a short-term lease.

(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.

(l) Going concern

The Group had net current liabilities of \$956,879 at 30 June 2024 (2023: \$2,729,668), achieved an operating loss of \$4.24M (2023: \$3.48M) and net cash outflows of \$656k (2023: inflows \$1.08M). These financial metrics require additional disclosure in the financial statements to justify the going concern basis adopted by the Board.

Notwithstanding the Group's financial results listed above, the financial statements have been prepared on the going concern basis for the following reasons:

- The Group loss was largely attributable to non-cash write downs of goodwill for the 2024 and 2023 financial year.

- When adding back non cash write downs of goodwill, depreciation interest and amortisation, the Group achieved an adjusted operating surplus of \$2.37M (2023: \$4.63M).

- Included in current liabilities are employee leave entitlements of \$2.2M (2023: \$1.9M). It is not expected that all of these leave entitlements will be required to be paid in the 2025 financial year.

- The Group has the full support from its external financiers.

- The Group is forecasting positive earnings before interest, tax, depreciation and amortisation that will provide sufficient cash flows to pay the Groups' debts as and when they become due and payable.

3 Critical Accounting Estimates and Judgments

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

3 Critical Accounting Estimates and Judgments

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. There were no impairment indicators in the current or comparative financial year.

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 judgment, 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. Refer to Note 12 for the disclosure and judgemental.

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

The last independent valuation of property (land and buildings) was conducted by Opteon Solutions in the financial year ending 30 June 2022. Directors have reviewed this valuation and updated the fair value estimates for the current year using a Directors' valuation based on recent market data for each property held. External valuations will be conducted with sufficient frequency to ensure the fair value of land and buildings is materially stated.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

4 Revenue and Other Income

	2024	2023
	\$	\$
Funding Income		
NDIS funding	33,099,397	35,532,332
Over 65's	609,291	597,953
Total funding income	33,708,688	36,130,285
Other Income		
Service recoveries Fee for service	698,612	744,796
income Profit on sale of assets Other	10,314,558	7,929,752
income Reimbursement of occupancy	259,566	(49,520)
charges Workers Comp	349,682	60
Reimbursements Wage	84,745	112,991
subsidy/traineeship revenue	118,575	148,518
	170,875	471,914
Total other income	11,996,613	9,358,511
Total revenue and other income	45,705,301	45,488,796

5 Other operating expenses

	2024	2023
	\$	\$
Staff Training	92,242	119,990
Workers Compensation Wages	138,741	227,731
Workers Compensation	1,059,722	1,027,898
Accounting Fees	40,374	47,990
Computer Expenses	65,795	37,231
Consultancy Fees	96,150	64,737
Insurance - Public Liability	99,765	103,447
Advertising & Marketing Expenses	117,775	85,071
License Fees	130,910	126,186
Legal Expenses	19,463	47,176
Office Expenses	70,478	72,125
Office Telephone	55,738	57,434
Administration Expenses	4,109,643	4,156,435
Staff Amenities	40,941	37,273
Repair & Maintenance Expenses	134,475	129,091
Other expenses	431,767	458,969
	6,703,979	6,798,784

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

6 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash on hand	913	1,622
Cash at bank	1,550,977	2,206,515
	<u>1,551,890</u>	<u>2,208,137</u>

7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
GST receivable	67,407	172,582
Trade receivables	725,403	503,868
Provision for doubtful debts	(23,154)	(30,000)
NDIS debtor	549,788	632,826
Total current trade and other receivables	<u>1,319,444</u>	<u>1,279,276</u>

Trade receivables which comprise amounts due from customers for NDIS services are carried at original invoice amount, less an amount for an allowance for any amounts deemed not collectible. No collateral is held in respect of these receivables.

8 Inventories

	2024	2023
	\$	\$
CURRENT		
At cost:		
Merchandise	11,738	11,738
	<u>11,738</u>	<u>11,738</u>

9 Other Assets

	2024 \$	2023 \$
CURRENT		
Prepayments	109,569	48,459
Deposits paid	131,522	131,422
Total current other assets	<u>241,091</u>	<u>179,881</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

10 Leases

Right-of-use assets

	Right of Use Assets \$
Year ended 30 June 2024	
Balance at beginning of year	1,099,096
Amortisation charge	(658,646)
Additions to right-of-use assets	1,793,783
	<u>1,793,783</u>
Balance at end of year	<u><u>2,234,233</u></u>

The Group has leases that meet the criteria of AASB 16 Leases for office leases, supported independent living accommodation and fleet motor vehicles. These leases range between 3 and 5 years in duration. No leases contain options for extensions.

The Group also had 14 leases for supported independent living accommodation in the current financial year that were 12 months in duration or less and therefore were not included as part of the right of use asset or lease liabilities. The total expense relating to short term leases was \$393,983.

	Right of Use Assets \$
Year ended 30 June 2023	
Balance at beginning of year	2,407,742
Amortisation charge	(1,308,646)
	<u>1,308,646</u>
Balance at end of year	<u><u>1,099,096</u></u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

10 Leases

Lease liabilities

	2024 \$	2023 \$
CURRENT		
Leases	790,010	518,612
Total current lease liability	790,010	518,612
NON-CURRENT		
Leases	1,572,190	527,744
Total non-current lease liability	1,572,190	527,744
Total Lease liabilities	2,362,200	1,046,356

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2024					
Lease liabilities	893,596	1,681,768	-	2,575,364	2,362,200

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11 Property, Plant and Equipment

	2024	2023
	\$	\$
Freehold land At fair value		
Total Land	5,235,477	4,830,000
Buildings	5,235,477	4,830,000
At fair value		
Accumulated depreciation	3,624,381	3,842,072
Total buildings	(675,808)	(598,528)
Plant and equipment	2,948,573	3,243,544
At cost		
Accumulated depreciation	623,698	620,494
Total plant and equipment	(610,772)	(571,639)
Furniture, fixtures and fittings	12,926	48,855
At cost		
Accumulated depreciation	275,653	275,653
Total furniture, fixtures and fittings	(273,417)	(263,288)
Motor vehicles	2,236	12,365
At cost		
Accumulated depreciation	366,257	399,273
Total motor vehicles	(360,931)	(385,583)
Computer software	5,326	13,690
At cost		
Accumulated depreciation	65,081	11,488
Total computer software	(40,948)	(1,456)
Leasehold Improvements	24,133	10,032
At cost		
Accumulated depreciation	475,208	400,230
Total leasehold improvements	(343,704)	(299,880)
	131,504	100,350
Total property, plant and equipment	8,360,175	8,258,836

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

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 2024								
Balance at the beginning of year	4,830,000	3,243,544	48,854	12,365	13,690	10,032	100,351	8,258,836
Additions	-	-	3,204	-	-	53,593	74,978	131,775
Disposals	(240,000)	(198,669)	-	-	-	-	-	(438,669)
Disposals	(240,000)	(198,667)	-	-	-	-	-	(438,669)
Depreciation expense	-	(96,302)	(39,132)	(10,129)	(8,364)	(39,492)	(43,825)	(237,244)
Revaluation increment	645,477	-	-	-	-	-	-	645,477
Balance at the end of the year	5,235,477	2,948,573	12,926	2,236	5,326	24,133	131,504	8,360,175

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

12 Intangible Assets

	2024	2023
	\$	\$
Goodwill		
Intellectual property		
Goodwill Arising from acquisition of subsidiaries	19,850,704	19,850,704
Impairment of goodwill	(7,549,180)	(4,236,532)
Total goodwill	12,301,524	15,614,172
Intellectual Property - DS IP		
At cost	1,200,000	1,200,000
Accumulated amortisation and impairment	(985,000)	(690,000)
Total intellectual property	215,000	510,000
Total Intangible assets	12,516,524	16,124,172

The Directors have performed a detailed impairment review of the goodwill balances. The following are the key areas of the Director's impairment model:

Identification of Cash Generating Units (CGUs): It was determined that the client lists of Adelaide Supportive Care (ASC) and DJ Health Holdings are the respective CGUs for each goodwill balance.

Recoverable Amount Assessment: The recoverable amount of each CGU was assessed using 'Value in Use' calculations from the discounted cash flow model.

Discounted Cash Flow Model: The Directors have prepared a discounted cash flow model to estimate the present value of the future cash flows for each CGU, listing key assumptions within each cash flow. Key assumptions include:

- The estimated rate of which clients acquired as part of the acquisition will be lost clients.
- The estimates of the fees for each client, based on historic averages.
- The estimates of the direct and indirect costs associated with each client, referring back to Group historic averages and NDIS benchmarking.

This approach was used to determine the recoverable amount of the Goodwill associated with each unit.

Impairment Charge Assessment: If the estimated recoverable amount is lower than the current carrying value of the Goodwill, an impairment charge is necessary. This charge will be recognised as an expense in the statement of profit and loss and will reduce the carrying amount of the Goodwill asset accordingly.

Conversely, if the estimated recoverable amount is higher than the current carrying value, no impairment charge will be required for the financial year.

The Group recognised an impairment charge of \$3,312,648 in the current financial year (2023: \$4,236,532). This has been realised largely as a result of lost clients in the financial year from each respective acquisition, and the impact on the estimated recoverable amount of each goodwill balance.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

12 Intangible Assets

No impairment indicators were identified from the intellectual property intangible assets in the current year. These assets will be written down to \$nil by the 2026 financial year.

13 Trade and Other Payables

	2024	2023
Note	\$	\$
CURRENT		
Trade payables	116,138	391,470
Accruals and other creditors	887,715	909,018
Employee payables	75,272	392
Plan managed credit funds	-	(164,976)
	1,079,125	1,135,904

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

14 Borrowings

	2024	2023
	\$	\$
CURRENT		
Vendor finance Loan - J Margerison	-	1,336,590
United Marketing loan	-	1,448,800
IPF Liability	-	15,986
Total current borrowings	-	2,801,376
	2024	2023
	\$	\$
NON-CURRENT		
Vendor finance Loan - J Margerison	8,956,131	8,019,542
Loan from DJ Property Pty Ltd	9,754,217	8,692,917
	18,710,348	16,712,459
Total non-current borrowings	18,710,348	16,712,459
Total borrowings	18,710,348	19,513,835

Summary of borrowings

The Group has the following loans in place:

DJ Property Pty Ltd Loan

Commenced 1 April 2020 for a period of 10 years. The loan was required as part of the acquisition of 2 subsidiaries.

Unsecured loan with an annual interest rate of 10%, interest payable monthly.

Early repayment permitted. No set repayments outside of the loan being fully repaid by 1 April 2030, however the loan can be recalled by DJ Property with 90 days notice as per the terms of the loan agreement. DJ Property has waived this loan condition for at least 12 months from 30 June 2024, therefore the loan has been classified as non current at 30 June 2024.

Vendor Finance Loan - Mr John Margerison

Commenced 1 January 2020 for a period of 10 years. The loan was required as part of the acquisition of 2 subsidiaries.

Unsecured loan with an annual interest rate of 10%, interest payable monthly.

Early repayment permitted. No set repayments outside of the loan being fully repaid by 1 January 2030, therefore has been classified as a non-current liability.

Mr John Margerison was a shareholder of United Disability Care Pty Ltd up until May 2020.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

14 Borrowings

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

15 Employee Benefits

	2024	2023
	\$	\$
CURRENT		
Long service leave	692,550	680,244
Provision for annual leave	1,470,005	1,241,570
Total current provision	2,162,555	1,921,814
NON-CURRENT		
Long service leave	310,141	243,943
Total non-current provision	310,141	243,943

16 Other Liabilities

	2024	2023
	\$	\$
CURRENT		
Contract liability	36,470	30,994
Total current other liabilities	36,470	30,994

17 Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on land and buildings. Please see Key Estimates accounting policy information for further details. During the year, the Group performed a Directors valuation on land and buildings which resulted in an increase to land and buildings valuation of \$645,477 (2023: Directors valuations resulted in no change to fair value estimates). The last external valuation of land and buildings was performed in the 2022 financial year.

18 Fair Value Measurement

Fair Value

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

Property, Plant and Equipment

- Land

- Buildings

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

19 Key Management Personnel Remuneration

The total of remuneration paid to key management personnel of the Group and the Group is \$ 1,589,106(2023: \$ 1,311,832).

Includes in the 2024 key management personnel disclosed are Directors, CEO, Executive Officer, GM people and Development, Quality and Safeguarding manager, GM Service delivery, Operations Manager, Financial Controller, Chief Information Officer, Chief Operations Office and Finance & Funding Manager.

20 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor [MGI Audit Pty Ltd], for:)		
- Assurance services	26,000	26,000
Total	26,000	26,000

21 Contingencies

In the opinion of those charged with governance, the Group did not have any contingencies at 30 June 2024 (30 June 2023:None).

22 Related Parties

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

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 (2023: 100%). Shares were purchased shares 31 May 2019.

-100% of subsidiary DJ Health Holdings Pty Ltd (2023: 100%). Shares were purchased 31 January 2020

Key management personnel - refer to Note 19.

Other related parties include:

ABA Consulting Services Pty Ltd (renamed to Gild Legal Pty Ltd in 2024 financial year): A company owned by Mr A Antonopoulos (Director).

Corporate Link Services Pty Ltd, DJ Property Pty Ltd and DS IP & Technology Pty Ltd are no longer considered related parties of the Group under *AASB 124 Related Party Disclosures* in the 2024 financial year.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

22 Related Parties

(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	Owed by
			the Group	the Group
	\$	\$	\$	\$
2024				
Gild Legal Pty Ltd (formerly ABA Consulting Services Pty Ltd)	5,250	-	-	-
2023				
ABA Consulting Services Pty Ltd	24,362	-	-	3,411

23 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.

24 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 the financial statements and notes, as set out on pages 4 to 28 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including::

-complying with the requirements of the *Australian Accounting Standards – Simplified Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

-giving a true and fair view of the financial position as at 30 June 2024 and of the performance for the financial year ended on that date.

-there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

Responsible person 

Responsible person 

Dated 4/12/2024

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

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the financial report of United Disability Care Pty Ltd and its controlled entities (the Group), which comprises the statement of financial position as at 30 June 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information and the responsible persons' declaration.

In our opinion, financial report of United Disability Care Pty Ltd and its controlled entities is in accordance with 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 2024 and of its

performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Australian Charities and Not-for-Profits Regulations 2022*.

Basis for Auditor's 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2(l) in the financial report, which indicates that the Company incurred a net operating loss in the 2024 financial year of \$4.24M (2023: \$3.48M loss) and, as of 30 June 2024, the Company's total current liabilities exceeded its total current assets by \$956,879 (2023: \$2,729,668). As stated in Note 2(l), these events or conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern without improved future operating performance and continued support from external financiers.

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

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

The Directors of the Group are responsible for the other information other than the financial report. 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.

Responsibility of the Directors of the Group for the Financial Report

The Directors of the Group 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 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 judgment 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 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, internal 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 reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibility for the Audit of the Financial Report (Continued)

- 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 Group's ability to continue as a going concern. If we conclude 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 the audit.

MGI Audit Pty Ltd



S C Greene

Director

4 December 2024

Brisbane



United DisAbility
www.uniteddisability.com.au