

ALARA QLD LIMITED
A.B.N. 94 628 523 943

**FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2021**

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2021

The Directors present their report together with the financial report of ALARA QLD Limited ("the Company"), for the year ended 30 June 2021 and the Auditor's Report thereon.

The Directors holding Office during the financial year were:

Joanne Witt , <i>Cert IV Mental Health Recovery</i>	Chairperson
Catherine Wheeler , <i>Grad Dip in Computer Education, Dip Teach, Ass Dip Com Rec, Cert IV in Training & Assessment, JP (Qual)</i>	Company Secretary and Director
Robyn Hartfiel , <i>Llb (Hons)</i>	Director
Noelene Schultz	Director
Antonietta Harrison , <i>Dip. Bus.; Adv. Dip. Acc.</i>	Director
Margaret Byrne , <i>B. Sp. Thy. (Hons), Cert IV Training and Assessment</i>	Director
Phillip Bell <i>CPA, FAIM</i>	Treasurer and Director
Louise Horneman-Wren <i>BDSoc, FICD, FADI, MAICD</i>	Director

DIRECTOR'S MEETINGS

The number of Board Meetings attended by each Board Director of ALARA QLD Limited during the financial year is as follows:

Name	No. Board Meetings held during the period of time the Director held office	Meetings Attended	No. of Workshops	Workshops Attended
Jo' Witt	10	9	2	2
Cathy Wheeler	10	8	2	2
Robyn Hartfiel	10	10	2	2
Noelene Schultz	10	8	2	2
Toni Harrison	10	7	2	2
Marg Byrne	10	10	2	2
Phillip Bell	10	9	2	1
Louise Horneman-Wren	7 since commencing as a Director	7	2	2

COMPANY SECRETARY

The Company Secretary of ALARA QLD Limited during and since the end of the financial year was Catherine Wheeler.

BOARD PROCESSES

Two Board workshops were held during the financial year.

The first Board Workshop was conducted on the 24th October 2020 where the Board conducted a Board Performance Evaluation with the aim of reviewing and optimising performance, identifying gaps and training needs. The Board also considered the management structure of the organisation adopting a C Suite model.

A second Board Planning Workshop was held on 6th February 2021 and focused strategic planning and planning for Board monitoring activities in 2021.

During the financial year 2020/2021, Board members again conducted internal audits around key strategic areas identified in the Strategic Plan and the Executive Review.

Board Directors responsible for those audits were:

- Financial Outcomes: Phillip Bell and Robyn Hartfiel
- Workforce Development: Cathy Wheeler and Noelene Schultz
- Client and Community: Cathy Wheeler, Marg Byrne and Louise Horneman-Wren
- Executive Review: Jo' Witt, Marg Byrne and Robyn Hartfiel

Board Directors participated at the Staff Awards evening held on 8th March at Luke's Place Salisbury Rd and in various functions and social events throughout the year.

PRINCIPAL ACTIVITY AND OBJECTIVES

The principal activity and objects of ALARA QLD Limited during the year was the provision of support and services for people with a disability and older Australians their carers and families in south east Queensland. In the opinion of the Directors no significant changes have occurred in the nature of these activities or objects during the financial year.

COVID-19, a global Coronavirus pandemic, brought about challenges for ALARA's Service Delivery, particularly the continued inability to deliver Centre-based and Group Activities during Lockdown periods. However, some virtual activities and welfare checks resumed.

The office was well-equipped with cloud-based information and communication technologies, which has proven how resilient ALARA Qld is with respect to any ongoing uncertainties associated with community outbreaks of COVID-19 impacting our catchment area.

ALARA received financial assistance in the form of JobKeeper Payments and the ATO Cash Boost. This financial assistance ceased by March 2021.

PREPARATION OF FINANCIAL STATEMENTS

RESULTS

The Company recorded an operating surplus for the current financial year of \$3.0 million compared to an operating surplus of \$1.3 million in the previous year. This increase in the operating result was due primarily to the following factors:

Revenue – a net decrease of \$2.1 million (-11%)

- Decrease in Hours sold to clients of \$4.2 million associated with the exclusion of hours sold to external clients this financial year; and due to the impact of Centre closures and restrictions with Group Activities and Getaways, as a result of COVID-19 transmission in the community.
- A net increase of \$1.9 million in Financial Assistance in response to the Coronavirus Pandemic that includes the JobKeeper Payments and the ATO Cash Flow Boosts, which continued to be provided until March 2021
- Government Grants of \$230,474 (+26%) primarily due to increased referrals in MyAged Care Home Care Packages.

Expenditure – decreased by \$3.8 million (-22%)

- Reduction of \$4.8 million was mainly associated with the exclusion of payments from the operating result, which were made on behalf of external plan-managed clients, as it pertained to cashflows from Financial Intermediary activities
- Increase in wage costs of \$1.0 million, including \$358,650 of additional wages paid due to the JobKeeper payment rules. This has been the labour cost of retaining employees engaged with ALARA through the pandemic crisis, which has been offset by the additional financial assistance of \$1.9 million in the form of JobKeeper payments.

Operating surpluses are necessary to fund capital expenditure, which is typically not funded from recurrent grant subsidies and to build a buffer for future unexpected business outlays.

The year's operating surplus of \$3.0 million, inclusive of unspent grants and COVID-19 financial assistance, represents 18% of operating revenue (2020: 7%). A further motor vehicle replacement provision of \$22,837 was set aside from the surplus, to maintain a reserve for the Fleet Replacement Program.

The Board established a special provision back in 2019 for future growth of \$100,000 to ensure ALARA QLD Limited is well prepared for any significant changes in its business model that might occur as a consequence of the implementation and refinement of NDIS in the coming years.

Capital Expenditure – Decreased by \$ 4,462 (2019: \$ 101,837)

- ALARA has implemented a new managed-fleet service, which will optimise the Commuters and service vehicles in its fleet in the 2020-21 financial year onwards. Two (2) service vehicles were sold for \$33,600. Purchase of three (3) new service vehicles, a replacement ute and a multi-purpose van is currently underway for FY 2021-22.
- A Building Condition assessment was conducted last year, which identified the level of capital renewals required to maintain ALARA properties over the next 10 years.
- Cost of Minor works and equipment this year was \$8,539
- A 5-year strategic plan to upgrade ALARA computer systems and IT infrastructure has been developed. This places the organisation in a positive position through the challenges and future uncertainties of the COVID-19 pandemic. Replacement Computer equipment and IT infrastructure this year totalled \$88,836

Total Equity has grown to \$ 8.1 million.

DIVIDENDS

The Company is prohibited by its Constitution from paying dividends.

STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial period under review not otherwise disclosed in this report or the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

There were further restrictions associated with COVID-19 transmission in South-east Brisbane in the interval between the end of the financial year and the date of this report. In the opinion of the directors of the company, a risk of further community transmissions may again significantly affect the operations of the company and its centre-based and group activities, and affect the results of those operations or the state of affairs of the company in subsequent financial years, due to physical distancing requirements and/or closure of centres, and without financial assistance measures.

LIKELY DEVELOPMENTS

The term of ALARA's current service agreements with key government funding bodies are as follows:

ALARA provides In - home and Community Connection Supports through the Queensland Community Support Scheme service in Ipswich, Lockyer and Somerset areas. The current service agreement with the Department of Communities, Disability Services and Seniors runs to 30 June 2022.

The current agreement with the Federal Department of Health pertaining to the Commonwealth Home Support Programme was extended to 30th June 2022 and will be further extended to 30th June 2023 before transition to the new Support at Home program.

The Continuity of Support Programme (CoS) Funding Agreement with the Federal Department of Health was extended to 30 June 2021. This has been further extended for 3 months under an interim offer for the Disability Support for Older Australians (DSOA) Program to 30th September 2021. The offer for ongoing support for participants under the DSOA is currently being finalised.

In relation to the National Disability Insurance Scheme the ALARA Board continue to carefully monitor proposed developments regarding pricing in relation to group and centre based services. ALARA is undertaking modelling and considering the implications of the level of unbillable costs and for the viability of specific product lines.

REVIEW OF OPERATIONS

Operations of the Company during the year are reviewed in the Chair's and Executive Manager's report in the Annual Report.

DIRECTORS' BENEFITS

No Directors' fees are payable.

DIRECTORS' INTERESTS IN CONTRACTS

Since the end of the previous year no director of the company has received or become entitled to receive any benefit by reason of a contract made by the company or a related body corporate with the director, a firm of which the director is a member, or a company in which the director has a substantial financial interest.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The ALARA QLD Limited Constitution enables ALARA to the extent permitted by the Law to indemnify any person who is or has been a Director or Officer of the Company or related Body Corporate against any liability incurred by them in their capacity as a Director or officer, to a person other than the Company or Related Body Corporate, except where the liability relates to a wilful breach of duty or a contravention of Section 181-184 of the Law. Directors and officers are also indemnified against any liability for legal costs or expenses incurred by them in defending any proceedings in which judgement is given in their favour; or if they are acquitted or granted relief.

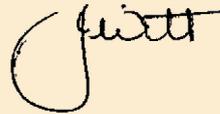
Director's liability insurance premiums have been paid by the entity and is included in the total insurance product/liability insurance amount of \$ 103,843.

AUDITOR'S INDEPENDENCE DECLARATION

Refer the attached Auditor's Independence Declaration which forms part of and should be read in conjunction with this report.

Dated at IPSWICH this 6th of August 2021

Signed in accordance with a resolution of the Directors:



Director



Director

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
REVENUE FROM CONTINUING OPERATIONS			
User Pay Fees		78,302	82,256
Donations		7,884	18,578
Membership Fees		220	270
ATO Financial Assistance		3,355,500	1,429,000
Other Revenue		34,079	34,754
Hours Sold		12,008,684	16,272,230
Interest Received		37,940	35,093
Disability Services - Recurrent		-	(15,715)
Community Care - Recurrent		676,783	660,983
MyAgedCare - Recurrent		311,964	83,671
Other Grants		144,803	174,138
Transferred from/(to) Unspent Grants		75,540	86,802
TOTAL INCOME		16,731,699	18,862,059

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
EXPENSES			
Advertising		4,576	8,725
Audit Fees		21,790	14,325
Bank Charges		6,994	6,882
Cleaning		23,107	26,507
Computer Software / Support		243,800	167,173
Consultancy Fees		8,678	55,708
Depreciation		176,360	210,628
Donations		662	631
Electricity		17,811	20,091
Equipment & Hire		39,723	235,684
Fees & Subscriptions		21,020	26,288
First Aid		24,591	17,259
Functions & Fundraising		17,981	23,374
General Expenses		12,140	7,761
Hours Purchased Other Services		226,583	5,023,216
Insurance		103,843	92,091
Interest Paid		1,056	1,311
Legal Costs		29,334	-
Loss on Disposal of Fixed Assets		14,913	15,034
Motor Vehicle Expenses		122,766	122,596
Out of Pocket Expenses		17,276	11,838
Postage & Stationery		105,667	86,814
QLeave Levy		70,659	-
Rates		12,196	11,253
Rent		11,370	10,321
Repairs & Maintenance		55,777	83,583
Staff / Client Amenities		17,858	15,482
Staff Training		43,255	49,688
Superannuation		957,862	862,931
Telephone		122,568	102,793
Travelling / Mileage		256,948	186,320
Wages & Tsfr to Employee Entitlements		10,615,882	9,583,422
Workers' Comp Insurance		154,775	187,621
Recovery of Unspent Grant Funds		205,087	311,485
Provision for Vehicle Replacement			
TOTAL EXPENSES		13,764,908	17,578,837
PROFIT (LOSS) FOR THE PERIOD		2,966,791	1,283,222

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
OTHER COMPREHENSIVE INCOME			
Transfer of reserves	11	22,837	58,583
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>22,837</u>	<u>58,583</u>
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD		<u>2,943,954</u>	<u>1,224,639</u>

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

Retained Earnings	2021	2020
(Accumulated Deficit)	\$	\$
Beginning Balance 1 July	5,093,366	3,810,144
Contributions		
Rounding		
Adjustment to carried forward grant fund liability		
Transfer to Reserves – WorkCover		35,747
Transfer to Reserves – Motor Vehicles	11	22,837
Transfer to Reserves – Future Growth		
Net Income	2,943,954	1,224,639
Ending Balance 30 June	8,060,157	5,093,366

BALANCE SHEET

YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	6,357,672	3,252,628
Trade and other receivables	5	1,025,815	1,777,868
TOTAL CURRENT ASSETS		<u>7,383,487</u>	<u>5,030,496</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	3,118,947	3,246,444
TOTAL NON-CURRENT ASSETS		<u>3,118,947</u>	<u>3,246,444</u>
TOTAL ASSETS		<u>10,502,434</u>	<u>8,276,939</u>
CURRENT LIABILITIES			
Sundry creditors and provisions	8	127,649	129,362
Unexpended grants carried forward		239,701	315,241
Revenue received in advance	8	-	581,998
Employee provisions	10	746,956	812,442
TOTAL CURRENT LIABILITIES		<u>1,114,306</u>	<u>1,839,044</u>
NON-CURRENT LIABILITIES			
Loans payable	9	1,229,079	1,229,079
Employee provisions	10	94,699	94,797
Lease Liabilities	8	4,193	20,654
TOTAL NON-CURRENT LIABILITIES		<u>1,327,971</u>	<u>1,344,530</u>
TOTAL LIABILITIES		<u>2,442,277</u>	<u>3,183,573</u>
NET ASSETS		<u>8,060,157</u>	<u>5,093,366</u>
EQUITY			
Retained earnings	11	7,400,477	4,456,522
Equity Reserves	11	659,680	636,844
TOTAL EQUITY		<u>8,060,157</u>	<u>5,093,366</u>
TOTAL EQUITY		<u>8,060,157</u>	<u>5,093,366</u>

See Auditor's Report and accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2021

	2021		2020	
	\$	\$	\$	\$
Cash flows from operating activities				
Cash receipts in the course of operations	16,788,274		18,591,202	
Interest received	37,940	16,826,214	35,093	18,626,295
Less:				
Cash payments in the course of operations	13,658,449		17,169,602	
Borrowing costs - interest paid	1,056	13,657,393	1,311	17,168,291
Cash flows from operating activities		3,168,821		1,458,004
Cash flows from investment activities				
Proceeds from sale of assets	33,600		13,500	
Payment for property, plant & equipment	(97,375)	(63,775)	(101,837)	(88,337)
		3,105,046		1,369,667
Cash flows from financing activities				
Loan raised/(repaid)	-	-	-	-
Net increase/(decrease) in cash		3,105,046		1,369,667
Cash at beginning of year		3,252,628		1,882,961
Cash at end of year				
Cash on hand	9,850		6,274	
Cash at bank	6,347,822	6,357,672	3,246,354	3,252,628
Net Movement in Bank Balances		3,105,046		1,369,667

Notes to Statement of Cash Flows

1. Reconciliation of net operating cash flow to net operating profit:

Net operating profit/(loss)		2,966,791		1,283,222
Depreciation	176,360		210,628	
Loss on disposal of assets	14,913		15,034	
Movement in equity	-		-	
(Increase)/decrease in sundry debtors	(94,209)		200,661	
(Increase)/decrease in other debtors	848,841		(916,090)	
Increase/(decrease) in trade creditors	(35,811)		49,313	
Increase/(decrease) in unexpended grants	(75,540)		(86,802)	
Increase/(decrease) in accruals	33,612		64,074	
Increase/(decrease) in revenue received in advance	(581,998)		581,998	
Increase/(decrease) in doubtful debts	(2,579)		(15,531)	
Increase/(decrease) in lease payable	(15,975)		(15,602)	
Increase/(decrease) in employee provisions	(65,584)		87,098	
Increase/(decrease) in provision for vehicle replacements	-	202,030	-	174,781
Cash flows from operating activities		3,168,821		1,458,004

2. Reconciliation of cash

For the purposes of the Cash Flow statement, cash includes cash on hand and at bank and cash equivalents.

See Auditor's Report and accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

Note 1 CORPORATE INFORMATION AND NATURE OF OPERATIONS

ALARA Qld is a company limited by Guarantee and is registered with the ACNC. Its principal activity and objects during the year was the provision of support and services for people with a disability, their carers and families in the West Moreton catchment of south east Queensland. The financial statements of the company, for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 6 September 2021.

COVID-19, a global Coronavirus pandemic, brought about challenges for ALARA's Service Delivery, particularly the continued inability to deliver Centre-based and Group Activities during Lockdown periods. However, some virtual activities and welfare checks resumed. The office was well-equipped with cloud-based information and communication technologies, which has proven how resilient ALARA Qld is with respect to any ongoing uncertainties, associated with community outbreaks of COVID-19 impacting our catchment area.

The financial stimulus measures introduced by the Commonwealth and State Governments in the form of financial assistance such as JobKeeper Payments ceased in March 2021.

The cash advance through the National Disability Insurance Scheme (NDIS) was re-paid in full by end of March 2021.

Note 2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the entity applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Note 3 NEW AND/OR CHANGES IN ACCOUNTING POLICIES

(a) PORTABLE LONG SERVICE LEAVE

Q-Leave

The Queensland Government passed legislation to establish a new portable long service leave scheme available for community services workers, effective from 1 January 2021.

Historically, long service leave accrued prior to entitlement of 10 years wasn't able to be carried forward with you if you changed employer, but remained in the same Sector (Disability/Community Services). The scheme was introduced to ensure that workers, within the community services industry, who have seven or more years recorded service with QLeave, can take their accumulated long service leave.

ALARA continues to record entitled long service leave in the financial system and reports balances to Q-Leave each quarter, together with a Levy based on 1.35% of workers' ordinary wages paid during the Return period. ALARA can claim reimbursement from QLeave for some, or all, of the payment made to the worker for service that is recorded with QLeave from 1 January 2021 onwards.

(b) NDIS PLAN-MANAGED ACCOUNTS

Effective 1 July 2020, NDIS Plan-Managed Clients' billing and supplier payments will be processed outside ALARA operational accounts and treated as a financial intermediary process in the Balance Sheet. Measurement and recognition of leases as a lessee.

Note 4 SUMMARY OF ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the entity applying not-for-profit specific requirements contained in the Australian Accounting Standards.

(b) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

The company has entered into leases of premises and office equipment. Management has determined that all of the risks and rewards of ownership of the equipment remain with the lessor and has therefore not classified the Equipment Leases as a finance lease.

One property remains classified as a rental agreement as the lessor can take control or possession of the premises at any time.

(c) REVENUE RECOGNITION

Revenue comprises proceeds from the sale of goods and services, government grants, and fundraising activities. Revenue from major services is shown in the Statement of Comprehensive Income.

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from care

Fees from services to clients

Fees charged for care provided to clients are recognised when the service is provided.

Sales of goods

Revenue from sales of goods comprises revenue earned (net of returns, discounts and allowances) from the sale of goods purchased for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer.

Government funding

The company's care activity is supported by grants received from the federal, state and local governments. Grants received on the condition that specified services are delivered in accordance with specific performance obligations, or when the conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

Grants received

The company has received a number of government grants during the year. Once the company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered), or a non-reciprocal grant, and accounted for under AASB 1058 - Income of Not-for-Profit Entities in conjunction with AASB 15 Revenue from Contracts with Customers. The Jobkeeper Payment and ATO Cash Boosts were recorded as government grants.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Investment income

Investment income comprises interest. Interest income is recognised as it accrues, using the effective interest method.

Asset sales

The gain or loss on disposal of all non-current assets and available-for-sale financial investments is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

(d) EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Where the company is a lessee, payment of equipment leases and rental agreements are recognised as an expense as incurred.

Fundraising costs are those incurred in seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the company.

Hours purchased – other services costs comprise amounts paid to external organisations to assist in the provision of care to clients.

Make good provisions

Any provisions for future costs to return certain leased premises to their original condition are based on the company's past experience, with similar premises and estimates of likely restoration costs determined by the company's property manager. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 2(j). The amount of these provisions would change should any of these factors change in the next 12 months. A review of sick leave utilised was undertaken for the last 2 years that indicated that the provision can be reduced down from 40% to 20% of total provision. However, in the case of further wider spread community transmission of COVID-19 the provision for sick leave might need further assessment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

(e) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of nine months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(f) TRADE AND OTHER RECEIVABLES

Trade receivables, which comprise amounts due from sales of merchandise and from services provided to clients are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(g) PROPERTY, PLANT AND EQUIPMENT

Bases of measurement of carrying amount

Land and buildings are currently generally shown at cost but will be revalued and the revaluation will be measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment donated to the company or acquired for nominal cost are recognised at fair value at the date the company obtains control of the assets.

Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Revaluation of land and buildings

Following initial recognition at cost, land and buildings will be carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is the amount that 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the

assets' fair values at the reporting date. Director valuations are used if an independent valuation does not take place during an annual reporting period.

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the statement of comprehensive income, in which case it is credited to that statement.

When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss and other comprehensive income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Depreciation

Items of property, plant and equipment (other than land and certain buildings) are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation is calculated on a diminishing value basis over the expected useful economic lives of the assets using varying rates as follows:

	2021	2020
Freehold buildings & improvements	0 to 20	0 to 20
Plant & equipment	20 to 30	20 to 30
Furniture & fittings	10 to 20	10 to 20
Computer equipment	5 to 30	5 to 30
Motor vehicles	22.5	22.5
Equipment held under finance leases	Lease Life	Lease Life

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income. However, where land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

(h) TRADE CREDITORS AND OTHER PAYABLES

Trade payables and other payables represent liabilities for goods and services provided to the company before the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

(i) DEFERRED INCOME

Liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

(j) EMPLOYEE BENEFITS

Employee benefits comprise wages and salaries, annual, sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date that are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave have been calculated at 20% of the total available sick

leave, which is considered to be a conservative estimate of the amount that will be actually utilised notwithstanding a potential risk of wider spread of COVID-19 into the community.

The liability for long service leave is recognised in the provision for employee benefits and measured at the payrates applicable at reporting date. The directors do not currently believe it is practicable to calculate the provision by measuring the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Under that method consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service and expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The Queensland State Parliament passed legislation extending Portable Long Service Leave (PLSL) to the community services sector. The effect of this legislation will result in hybrid reporting of leave liabilities with estimated value of Q-Leave Claim inflows, in future reporting periods.

The company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. The company has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(m) LEASED ASSETS AND LIABILITIES

Finance leases

Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of profit or loss and other comprehensive income. The fair value of the leases is estimated as the present value of future cash flow, discounted at market interest rates. The carrying value of the leases is considered a reasonable reflection of fair value.

Capitalised leased assets are depreciated over the estimated useful life of the asset or lease term, if shorter.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

(k) TAXATION

Income tax

The company is a Public Benevolent Institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Note 4	CASH AND CASH EQUIVALENTS	2021	2020
		\$	\$
	Cash at Bank	3,592,681	1,884,755
	Cash at Bank - Donations Account	120,701	112,654
	Cash at Bank - Maximiser Account	2,634,440	1,225,440
	Cash at Bank - Self Directed	-	23,506
	Cash on Hand	9,850	6,274
		<u>6,357,672</u>	<u>3,252,628</u>

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between three months and nine months, depending on the company's cash requirements. These deposits earn interest at market rates.

The monies held at Bank are retained at balance date and are intended to be expended in future financial years for the following purposes:

Grant funds for:

- Capital purposes
- Client support
- Emergency relief
- Employee entitlements
- Replacement for vehicles

Note 5	TRADE AND OTHER RECEIVABLES	2021	2020
		\$	\$
	Sundry Debtors	970,206	875,996
	Less: Provision for doubtful debts	(11,890)	(14,469)
	Other debtors and accrued revenue	67,499	916,340
		<u>1,025,815</u>	<u>1,777,868</u>

The transition to the NDIS has presented a significant change in the operating business model of the Company, in particular a move to billing in arrears. A significant proportion of the Sundry Debtors for 2021 relate to claims submitted to the NDIA prior to the end of the financial year.

Accrued Revenue balances for last financial year mainly relates to Jobkeeper payments received in July 2021 to subsidise the May and June 2020 wages

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

Note 6 PROVISION FOR DOUBTFUL DEBTS

Past experience indicates that no impairment allowance is necessary in respect of trade debtors 'not past due' and 'past due 0-30 days'.

	2021	2020
	\$	\$
Balance at 1 July	14,469	30,000
Impairment losses recognised	(2,579)	(15,531)
Balance at 30 June	11,890	14,469

Note 7 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Furniture & Fittings	Plant & Equipment	IT Equipment	Motor Vehicles	Leases	Total
COST OR FAIR VALUE							
At 30 June 2020	2,937,752	131,433	238,413	289,259	1,006,153	52,231	4,655,241
Additions	22,320	697	20,331	54,028	-	-	97,375
Disposals	(18,873)	-	(1,907)	(42,780)	(47,501)	-	(111,061)
At 30 June 2021	2,941,199	132,130	256,838	300,506	958,652	52,231	4,641,556
ACCUMULATED DEPRECIATION							
At 30 June 2020	(296,537)	(116,384)	(197,280)	(154,886)	(627,595)	(16,116)	(1,408,797)
Charge for year	(22,558)	(3,261)	(13,123)	(38,862)	(82,469)	(16,071)	(176,344)
Disposals			1,742	31,624	29,166	-	62,532
At 30 June 2021	(319,094)	(119,645)	(208,662)	(162,123)	(680,898)	(32,187)	(1,522,609)
NET CARRYING AMOUNT							
at 30 June 2021	2,622,105	12,484	48,176	138,383	277,754	20,044	3,118,947

Revaluation of land and buildings

The company undertook a building condition assessment for the purpose of implementing a rolling capital renewal and maintenance plan, and intends to engage independent accredited valuer in three years to determine the fair value of its land and buildings. Fair value is amount that 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. The highest and best use of the land and buildings are considered in determining the valuation.

Note 8 TRADE CREDITORS AND OTHER PAYABLES

	2021	2020
	\$	\$
CURRENT		
Trade creditors	13,502	49,313
Lease payable	16,461	15,975
Accrued wages	97,686	64,074
Revenue received in advance	-	581,998
	127,649	711,361
NON-CURRENT		
Lease payable	4,193	20,654
	4,193	20,654

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

Note 9 SECURED LOANS PAYABLE

	2021	2020
Non-current		
Luke's Place Salisbury Road - Mortgage Dept of Communities	1,229,079	1,229,079
	<u>1,229,079</u>	<u>1,229,079</u>

A first mortgage of \$600,000 was given to the Department of Communities in 2010 as security for the property purchased at 33 Salisbury Road. The Company received further capital project funding during 2011/12 and 2012/13 of \$629,079 to refurbish the property. This has increased the total mortgage to \$1,229,079 which is due for release in 2030. There are no other mortgages, charges or other securities affecting the assets of the Company.

Note 10 EMPLOYEE PROVISIONS

	2021	2020
(A) CURRENT	\$	\$
Long service leave	352,935	317,517
Annual leave	400,278	378,431
Sick leave	64,402	116,494
Q-Leave levy claim	(70,659)	-
Total current provisions	<u>746,956</u>	<u>812,442</u>

(B) NON-CURRENT

Long service leave	94,699	94,797
Total non-current provisions	<u>94,699</u>	<u>94,797</u>

A portion of long service leave and the entire annual leave balance have been classified as a current liability since the company does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period. The company expects that 21% of the long service liability will be paid after 12 months following the end of the reporting period.

Note 11 TOTAL FUNDS

(A) MOVEMENTS IN EQUITY

Details of the movement in each reserve and fund are provided in the following notes to the Statement of changes in Equity.

	Retained earnings	WorkCover reserve	Vehicle replacement reserve	Future growth reserve	Total
Beginning balance 1 July	4,456,522	99,791	437,052	100,000	5,093,366
Current year surplus	2,966,791	-	-	-	2,966,791
Transfers to reserves	(22,837)	-	22,837	-	-
	<u>7,400,477</u>	<u>99,791</u>	<u>459,889</u>	<u>100,000</u>	<u>8,060,157</u>

(B) MEMBERS' GUARANTEE

The company is limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company.

ALARA QLD LIMITED
A.B.N. 94 628 523 943

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2021

Note 12 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

DIRECTORS' COMPENSATION

The directors act in an honorary capacity and receive no compensation for their services.

Note 13 ECONOMIC DEPENDENCY

The company is dependent upon the ongoing receipt of grants from the Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships, to ensure the continuance of its services to clients.

Note 14 ADDITIONAL COMPANY INFORMATION

The registered office of the company and its principal place of business is:
8 Warwick Road, IPSWICH QLD 4305

RESPONSIBLE PERSONS' DECLARATION

ALARA QLD Limited

A.B.N. 94 628 523 943

Responsible persons' declaration

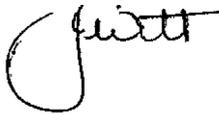
per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

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

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

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

Director



DIRECTOR



Dated this 23th day of August 2021

AUDITOR'S INDEPENDENCE DECLARATION



Ramsey & Associates

Auditors & Accountants

A.B.N. 64 882 623 520

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Professional Standards Legislation

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Alara Qld Limited

This declaration is made in connection with our audit of the financial report of the company for the year ended 30 June 2021 and in accordance with the provisions of the Australian Charities and Not-for-Profits Commission Act 2012.

I declare that, to the best of my knowledge, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012 in relation to this audit; and
- No contraventions of the Code of Professional Conduct in relation to this audit.

Ramsey & Associates
Auditors & Accountants
Ipswich & Boonah Qld



Neil Morris
Chartered Accountant
Registered Company Auditor

Date: 6 August 2021

INDEPENDENT AUDITOR'S REPORT



Ramsey & Associates

Auditors & Accountants

A.B.N. 64 882 623 520

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alara Qld Limited

Opinion

We have audited the financial report of Alara Qld Limited (the Company), which comprises the Balance Sheet as at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons' Declaration.

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

- Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance and cash flows for the year then ended; and
- Complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-Profits Commission Act 2012, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with its financial reporting requirements and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Report

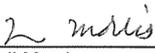
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance 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.

Ramsey & Associates
Auditors & Accountants
Ipswich & Boonah Qld



Neil Morris
Chartered Accountant
Registered Company Auditor

Date: 23 August 2021