

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

**FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2019**

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DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2019

The Directors present their report together with the financial report of ALARA QLD Limited ("the Company"), for the year ended 30 June 2018 and the Auditor's Report thereon.

The Directors holding Office during the financial year were:

Joanne Witt , <i>Cert IV Mental Health Recovery; Dip Community Services</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
Michael Kingham (<i>Retired November 2018</i>)	Director
Noelene Schultz	Director
Antonietta Harrison , <i>Dip. Bus.; Adv. Dip. Acc.</i>	Acting Treasurer and Director
Margaret Byrne , <i>B. Sp. Thy. (Hons), Cert IV Training and Assessment</i>	Director
Phillip Bell <i>CPA, FAIM</i>	Treasurer and 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	12	11	2	2
Cathy Wheeler	12	9	2	2
Robyn Hartfiel	12	9	2	2
Mike Kingham (resigned November 2018)	6	6	1	1
Noelene Schultz	12	12	2	2
Toni Harrison	12	11	2	2
Marg Byrne	12	11	2	2
Phillip Bell	12	10	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 20 October 2018 where the Board obtained an update on sector trends and discussed the financial position of ALARA and the financial strategy. The Board also reviewed ALARA's Governance Manual.

A second Board Planning Workshop was held on the weekend of the 2nd and 3rd February and focused on reviewing the current Vision, Mission and Value Statements as well strategies, outcomes and measures for the organisation over the next three years.

During the financial year 2018/2019, 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 Toni Harrison
- Client and Community: Cathy Wheeler, Jo Witt and Marg Byrne
- Executive Review: Jo' Witt, Noelene Schultz and Marg Byrne

Board Directors participated at the Staff Awards night held on Monday 22nd October 2018 at Luke's Place Salisbury Rd and in various functions and social events throughout the year.

The Board Chair attended and presented at the NDS QLD Boards Summit in May 2019.

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, 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.

PREPARATION OF FINANCIAL STATEMENTS

RESULTS

The Company recorded an operating surplus for the current financial year of \$225,665 compared to an operating loss of \$423,768 in the previous year. This increase in the operating result was due primarily to the following factors:

Revenue – increased by **\$4,907,285 (+45%)**

- Hours sold to external clients increased by a further \$5,923,389 as the National Disability Insurance Scheme has now fully transitioned.
- The increase in funding under the NDIS has been offset by the continued decrease in State Government Grants of \$1,002,950.
- A decrease in My Aged Care funding of \$114,241 was partially offset by an increase of \$64,404 in other income and other small funding movements of \$36,683.

Expenditure – increased by **4,257,946 (37.8%)**

- Increase in wage costs of \$1,695,123 in generating the increased revenue from the transition to the NDIS.
- An increase in provision for employee entitlements expense by \$249,808.
- An increase in Superannuation Guarantee payments of \$190,834.
- A significant increase in Hours Purchased from other services as a result of the transition to NDIS of \$1,934,420. This relates to services purchased by clients from other providers under self-directed and plan managed packages.
- Computer software & support costs increased by \$83,907 due mainly to migration of our computing resources to a remote server (cloud computing) and an increase in licencing fees.
- Increase in depreciation of \$54,756.
- Additional overheads and operating costs amounted to \$49,098

This year has seen a return to surplus as the Company settles into the new operating environment under the NDIS with comparative results showing some large swings from historical figures.

Capital Expenditure – **\$137,764 (2018-\$415,619)**

- Replacement of services vehicles \$18,580
- Replacement computer equipment \$25,443
- Tablet computers \$71,789
- Replacement air conditioners \$15,023
- Building refurbishment \$6,929

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

LIKELY DEVELOPMENTS

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

ALARA's Service Agreement with Department of Communities, Disability Services and Seniors – Disability Services ceased on 30 June 2019 with all clients having transitioned to the National Disability Insurance Scheme.

The Service Agreement with Department of Communities, Disability Services and Seniors– Community Care expired 30 June 2019 with the planned transition of clients to the NDIS or the new Queensland Community Support Scheme. Approval has been given to carry \$25,000 of unspent 2018-2019 QCC funds to support previous Community Care users with transition.

ALARA as a successful tenderer to provide Queensland Community Support Scheme service in Ipswich, Lockyer and Somerset areas has entered into a service agreement with Department of Communities, Disability Services and Seniors to provide In-home and Community Connection Supports until 30 June 2022.

The current agreement with the Federal Department of Health pertaining to the Commonwealth Home Support Programme currently runs to 30th June 2020.

The current Continuity of Support Programme (CoS) Funding Agreement with the Federal Department of Health runs to 30 June 2020.

In relation to the National Disability Insurance Scheme and reform in aged care funding arrangements, the ALARA Board continue to carefully monitoring developments. Strategies and performance objectives are included in the 2019/2021 Strategic Plan to support the organisation through these major reforms.

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 \$8450 which also includes GST.

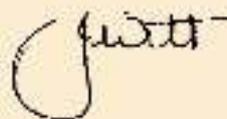
AUDITOR'S INDEPENDENCE DECLARATION

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

Dated at IPSWICH this

Signed in accordance with a resolution of the Directors:

Director



Director



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

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
REVENUE FROM CONTINUING OPERATIONS			
User Pay Fees		83,304	100,632
Donations		12,768	19,446
Membership Fees		305	470
Other Income		123,605	59,201
Hours Sold		14,317,841	8,394,452
Interest Received		32,765	11,017
Disability Services - Recurrent		46,649	1,049,599
Community Care - Recurrent		792,027	750,394
MyAgedCare - Recurrent		113,316	227,557
MyAgedCare - NonRecurrent		-	-
Other Grants		97,219	-
Transferred from/(to) Unspent Grants	10	142,139	241,884
TOTAL INCOME		15,761,937	10,854,652

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2019

EXPENSES	Note	2019 \$	2018 \$
Advertising		9,338	15,124
Audit Fees (for audit of the company - nil other services)		15,101	8,100
Bad and Doubtful Debts		4,439	5,961
Bank Charges		5,755	5,272
Cleaning		16,899	20,364
Computer Software / Support		180,171	96,263
Consultancy Fees		20,037	33,181
Craft Supplies		51	620
Depreciation		244,796	190,040
Donations		600	3,693
Electricity		21,132	28,802
Fees & Subscriptions		21,754	18,479
First Aid		4,655	6,618
Functions & Fundraising		26,636	32,203
General Expenses		11,622	11,637
Equipment & Hire		157,996	124,781
Hours Purchased Other Services		4,286,804	2,352,435
Insurance		80,218	71,193
Interest Paid		-	-
Loss on Disposal of Fixed Asset		1,372	(33,464)
Motor Vehicle Expenses		108,361	125,001
Provision for Doubtful Debts		5,000	10,000
Out of Pocket Expenses		12,182	13,432
Legal Costs		1,071	14,353
Postage & Stationery		95,788	84,930
Provision for Employee Entitlements		183,352	(66,456)
Quality Assurance		-	-
Rates		11,381	10,576
Rent		32,162	45,287
Repairs & Maintenance		43,818	43,940
Staff / Client Amenities		28,455	30,248
Staff Training		36,668	38,911
Superannuation		792,857	602,023
Telephone		59,485	104,905
Travelling / Mileage		158,500	116,479
Wages & Tsfr to Employee Entitlements		8,486,522	6,791,399
Volunteer Expenses		20	175
Workers' Comp Insurance		198,315	65,283
Recovery of Unspent Grant Funds		142,139	241,884
Provision for Vehicle Replacement		30,915	14,750
TOTAL EXPENSES		15,536,366	11,278,420
PROFIT (LOSS) FOR THE PERIOD		225,571	(423,768)

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

ALARA QLD LIMITED
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STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2019

Retained Earnings		2019	2018
(Accumulated Deficit)		\$	\$
Beginning Balance 1 July		3,243,057	3,504,425
Contributions		-	-
Rounding		-	-
Adjustment to carried forward grant fund liability	9	(236,745)	162,400
Transfer to Reserves – Workcover		64,044	
Transfer to Reserves – Motor Vehicles		414,216	
Transfer to Reserves – Future Growth	8	100,000	-
Net Income		225,571	(423,768)
Ending Balance 30 June		<u>3,810,144</u>	<u>3,243,057</u>

BALANCE SHEET

YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,882,961	2,335,940
Trade and other receivables	3	1,046,907	780,924
TOTAL CURRENT ASSETS		2,929,868	3,116,864
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	3,331,538	3,453,565
TOTAL NON-CURRENT ASSETS		3,331,538	3,453,565
TOTAL ASSETS		6,261,405	6,570,429
CURRENT LIABILITIES			
Sundry creditors and provisions	5	-	668,891
Unexpended grants carried forward		402,043	692,615
Loans payable	6	-	-
Employee provisions	7	739,748	538,639
TOTAL CURRENT LIABILITIES		1,141,790	1,900,144
NON-CURRENT LIABILITIES			
Loans payable	6	1,229,079	1,229,079
Employee provisions	7	80,393	98,149
TOTAL NON-CURRENT LIABILITIES		1,309,472	1,427,228
TOTAL LIABILITIES		2,451,262	3,327,373
NET ASSETS		3,810,144	3,243,057
EQUITY			
Accumulated equity	9	3,810,144	3,243,057
TOTAL EQUITY		3,810,144	3,243,057
TOTAL EQUITY		3,810,144	3,243,057

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

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2019

	2019		2018	
	\$	\$	\$	\$
Cash flows from operating activities				
Cash receipts in the course of operations	15,355,970		10,033,622	
Interest received	32,765	15,388,735	11,017	10,044,639
Less:				
Cash payments in the course of operations	15,712,572		11,109,448	
Borrowing costs - interest paid	0	15,712,572	0	11,109,448
Cash flows from operating activities		(323,837)		(1,064,809)
Cash flows from investment activities				
Proceeds from sale of assets				
Payment for property, plant & equipment	(129,142)	(129,142)	(172,125)	(172,125)
Cash flows from investment activities		(452,979)		(1,236,934)
Cash flows from financing activities				
Loan raised/(repaid)	0	0	0	0
Net increase/(decrease) in cash		(452,979)		(1,236,934)
Cash at beginning of year		2,335,940		3,572,874
Cash at end of year				
Cash on hand	7,216		3,680	
Cash at bank	1,875,745	1,882,961	2,332,260	2,335,940
Net Movement in Bank Balances		(452,979)		(1,236,934)

Notes to Statement of Cash Flows

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

Net operating profit/(loss)		225,571		(423,768)
Depreciation	244,796		190,040	
Loss on disposal of assets	1,372		(33,464)	
Movement in equity	241,516			
(Increase)/decrease in sundry debtors	(265,983)		(647,613)	
Increase/(decrease) in trade creditors	(3,527)			
Increase/(decrease) in unexpended grants	(290,572)		(162,400)	
Increase/(decrease) in accruals	(282,062)		54,102	
Increase/(decrease) in doubtful debts	5,000		10,000	
Increase/(decrease) in employee provisions	183,353		(66,456)	
Increase/(decrease) in provision for vehicle replacements	(383,301)	(549,408)	14,750	(641,041)
Cash flows from operating activities		(323,837)		(1,064,809)

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 2019

Note 1 CORPORATE INFORMATION

The financial statements of the not-for-profit company, ALARA QLD Limited, (the company) for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 6th August 2019.

Note 2a 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.

(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.

Significant accounting judgements

Leases

The company has entered into leases of premises and office equipment. Management has determined that all of the risks and rewards of ownership of these premises and equipment remain with the lessor and has therefore classified the leases as operating leases.

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) in which case it is accounted for under AASB 118 Revenue or a non-reciprocal grant in which case it is accounted for under AASB 1004 Contributions.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

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.

(c) REVENUE RECOGNITION

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 fundraising

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.

Legacies

Legacies are recognised when the company is notified of an impending distribution or the legacy is received, whichever occurs earlier.

Revenue from care

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, or 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

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.

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.

(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 three 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.

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:

	2019	2018
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	25 to 30	25 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

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.

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, non-accumulating 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 40% of the total available sick leave, which is considered to be a conservative estimate of the amount that will be actually utilised.

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 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

Operating leases

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

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.

(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 2b	CASH AND CASH EQUIVALENTS	2019	2018
		\$	\$
	Cash at Bank	1,486,491	181,047
	Cash at Bank - Donations Account	104,476	91,140
	Cash at Bank - Maximiser Account	261,440	1,732,290
	Cash at Bank - Self Directed	23,338	327,783
	Cash on Hand	7,216	3,680
		<u>1,882,961</u>	<u>2,335,940</u>

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between one day and three 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 including vehicle replacements
- Client support
- Emergency Relief
- Employee Entitlements
- Replacement for Vehicles

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

Note 3a	TRADE AND OTHER RECEIVABLES	2019	2018
		\$	\$
	Sundry Debtors	1,076,657	805,674
	Less: Provision for doubtful debts	(30,000)	(25,000)
	Other Debtors	250	250
		<u>1,046,907</u>	<u>780,924</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 2018 relate to claims submitted to the NDIA prior to the end of the financial year.

Note 3b 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'. Impairment allowances recognised at the reporting dates have been determined after a review of amounts outstanding at those dates and comprise amounts due from individual residents at the company's residential care facilities. No individual balance due exceeds \$1,000 and no collateral is held as security for these amounts. The movement in the allowance for impairment in respect of trade debtors during the year was as follows:

	2019	2018
	\$	\$
Balance at 1 July	25,000	25,000
Impairment losses recognised	5,000	-
Balance at 30 June	<u>30,000</u>	<u>25,000</u>

Note 4 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Furniture & Fittings	Plant & Equipment	IT Equipment	Motor Vehicles	Total
COST OR FAIR VALUE						
At 30 June 2018	2,954,726	131,895	261,301	302,961	1,012,962	4,663,846
Additions	-	-	22,752	87,242	18,580	128,575
Disposals	23,508	610	-	-	25,255	49,373
At 30 June 2019	2,931,218	131,285	284,053	390,204	1,006,287	4,743,048
ACCUMULATED DEPRECIATION						
At 30 June 2018	(260,313)	(107,580)	(217,399)	(213,398)	(411,591)	(1,210,281)
Charge for year	(31,299)	(5,032)	(12,580)	(52,110)	(141,018)	(242,039)
Disposals	22,308	72	-	-	18,502	40,882
At 30 June 2019	(269,304)	(112,612)	(229,979)	(265,508)	(534,107)	(1,411,510)
NET CARRYING AMOUNT						
at 30 June 2018	2,661,914	18,673	54,074	124,696	472,180	3,331,538

Revaluation of land and buildings

The company intends to engage independent accredited valuers to determine the fair value of its land and buildings. 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'. The highest and best use of the land and buildings are considered in determining the valuation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

Note 5	TRADE CREDITORS AND OTHER PAYABLES	2019	2018
		\$	\$
	Trade creditors	-	3,527
	Provision Vehicle Replacement	-	383,301
	Accrued wages	-	282,062
			<hr/>
		-	668,891
			<hr/>

Note 6 INTEREST-BEARING LOANS

(A) OBLIGATIONS UNDER SECURED LOANS		\$	\$
Current			
National Australia Bank Equipment Loan		-	-
Non-current			
National Australia Bank Equipment Loan		-	-
Salisbury Road - Mortgage Department of Communities	1,229,079	1,229,079	
	<hr/>	<hr/>	<hr/>
	1,229,079	1,229,079	
	<hr/>	<hr/>	<hr/>

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 7 EMPLOYEE PROVISIONS

(A) CURRENT			
Long service leave	303,400	220,784	
Annual leave	330,154	317,855	
Sick leave	106,194	-	
Total current provisions	<hr/>	<hr/>	<hr/>
	739,748	538,639	
	<hr/>	<hr/>	<hr/>
(B) NON-CURRENT			
Long service leave	80,393	98,149	
Total non-current provisions	<hr/>	<hr/>	<hr/>
	80,393	98,149	
	<hr/>	<hr/>	<hr/>

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 43% of the long service liability will be paid after 12 months following the end of the reporting period.

Note 8 PROVISION FOR FUTURE GROWTH

Non-current		-	-
Provision for Future Growth		-	100,000
Total non-current provisions	<hr/>	<hr/>	<hr/>
	-	100,000	
	<hr/>	<hr/>	<hr/>

The board have established a special provision for future growth to ensure ALARA QLD Limited is well prepared for any significant changes to its business model that might occur as a consequence of the implementation of the NDIS in the coming years. This has now been transferred to Reserves.

Note 9 TOTAL FUNDS**(A) MOVEMENTS IN FUNDS**

Details of the movement in each reserve and fund are provided in the statement of changes in equity.

The company has elected to reclassify items relating to transfers from/(to) the Unspent Grant Fund Liability that had in prior years been included on the Statement of Comprehensive Income. These amounts related to the net movement (increase/decrease) in carried forward grant funding obligations during the year.

The Statement of Equity now shows an Adjustment to Carried Forward Grant Fund Liability 2019: \$236,745 (2018: -\$164,399). The Company is of the opinion that this presentation more accurately reflects the underlying transactions.

(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.

Note 10 RELATED PARTIES AND RELATED PARTY TRANSACTIONS**DIRECTORS' COMPENSATION**

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

Note 11 ECONOMIC DEPENDENCY

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

Note 12 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

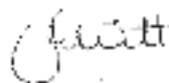
per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

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

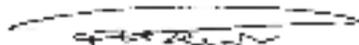
(a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(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 26th day of August 2019

AUDITOR'S INDEPENDENCE DECLARATION



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CB Audit Pty Ltd | ABN 32 146 530 529 | PO Box 7440 Loganholme Qld 4129

19 August 2019

The Directors
Alara Qld Limited
PO Box 63
IPSWICH QLD 4305

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of the company for the year ended 30 June 2019 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 and belief, 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;
- No contraventions of the Code of Professional Conduct in relation to this audit.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Matthew Williams'.

Matthew Williams
CB Audit Pty Ltd
Registered Company Auditor No. 470848

Matthew Williams, IPA, SSAud, RQA
Managing Director

Registered Company, Not-for-profit & SMSE Auditors
Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALARA QLD LIMITED

Report on the Audit of the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Alara Qld Limited, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In our opinion, the financial report of Alara Qld Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of opinion

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities' for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members.

Matthew Williams, IPA, SSAud, RCA
Managing Director

Registered Company, Not-for-profit & SMSF Auditors
Liability limited by a scheme approved under Professional Standards Legislation

The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with responsible entities 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.



Matthew Williams
CB Audit Pty Ltd
Registered Company Auditor No. 470848

19 August 2019