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

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

The Directors present their report together with the financial report of ALARA QLD Limited ("the Company"), for the year ended 30 June 2020 and the Auditor's Report thereon.

The Directors holding Office during the financial year were:

Joanne Witt, *Cert IV Mental Health Recovery; Dip Community Services*	Chairperson
Catherine Wheeler, *Grad Dip in Computer Education, Dip Teach, Ass Dip Com Rec, Cert IV in Training & Assessment, JP (Qual)*	Company Secretary and Director
Robyn Hartfiel, *Llb (Hons)*	Director
Noelene Schultz	Director
Antonietta Harrison, *Dip. Bus.; Adv. Dip. Acc.*	Acting Treasurer and Director
Margaret Byrne, *B. Sp. Thy. (Hons), Cert IV Training and Assessment*	Director
Phillip Bell *CPA, FAIM*	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	10	10	2	2
Cathy Wheeler	10	9	2	2
Robyn Hartfiel	10	10	2	2
Noelene Schultz	10	10	2	2
Toni Harrison	10	10	2	2
Marg Byrne	10	9	2	2
Phillip Bell	10	9	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 28 October 2020 where the Board obtained an update on ALARA Plan Management services and services provided under the Commonwealth Home Support program. The Board also considered the financial position of ALARA, financial sustainability and key financial performances measures.

A second Board Planning Workshop was held on the weekend of the 1st February and focused on an overview of the Quality Standards under which the organisation delivers service, briefing on documentation required for service delivery and planning for the Board monitoring schedule for 2020.

During the financial year 2019/2020, 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 Marg Byrne
- Workforce Development: Cathy Wheeler and Robyn Hartfiel
- Client and Community: Cathy Wheeler, Jo Witt and Noelene Schultz
- Executive Review: Jo' Witt, Noelene Schultz and Marg Byrne

Board Directors participated at the Staff All-together night held on Monday 21st October 2019 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 inability to continue Centre-based and Group Activities between late March and June 2020.

To mitigate some of the negative effects of ALARA worked with clients and families regarding alternative forms of service delivery including alternative one to one support, telephone and virtual welfare checks and a range of virtual program offerings.

The office is well-equipped with cloud-based information and communication technologies allowing transition at short notice to remote working arrangements, ongoing communication with our field workforce and flexibility in service provision.

ALARA received financial assistance in the form of JobKeeper Payments and the ATO Cash Boost. A cash advance through the National Disability Insurance Scheme (NDIS) was also received, and to be repaid six (6) monthly instalments from October 2020.

PREPARATION OF FINANCIAL STATEMENTS

RESULTS

The Company recorded an operating surplus for the current financial year of $1.3 million compared to an operating surplus of $225,571 in the previous year. This increase in the operating result was due primarily to the following factors:

Revenue – increased by $3.1 million (+19.7%)

- Financial Assistance Measures of $1.4 million in response to the Coronavirus Pandemic, which includes the JobKeeper Payments and the ATO Cash Flow Boosts.
- Increase in Hours sold to external clients of $1.75 million as a result of promotion by the NDIS for greater client choice and control over Providers they use; and a net increase of $200,394 primarily for group and centre-based activities to ALARA clients, notwithstanding the impact of Centre closures between late March and June 2020 due to COVID-19 pandemic.
- Recognition of $344,495 of current year unspent grants, which relate to contracted services yet to be supplied and funds that may be subject to return; and prior year unspent grant funds of $311,485.
- Reduced reliance on Government Grants of $288,273 (-24.2%) primarily due to the transition from the former Disability Services Community Support Program to the NDIS.

Expenditure – increased by $2.0 million (+13.1%)

- Increase in wage costs of $1.0 million, including $ 264,059 of additional wages paid due to the JobKeeper payment rules. This has been the labour costs of partly servicing the increased demand for Groups and centre-based activities, together with retaining employees engaged with ALARA through the pandemic crisis, which has been offset by the wages financial assistance JobKeeper grant of $1.4 million.
- External services purchased were higher by $736,145 which is largely due to extra services purchased from other providers through the choice now available under self-directed packages.
- Return of unspent grant funds of $311,485.

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 $1.3 million inclusive of unspent grants and COVID-19 financial assistance, represents 6.8% of operating revenue (2019:1.4%). A further motor vehicle replacement provision of $22,836 was set aside from the surplus, in addition to $35,747 for WorkCover, while also providing a marginal operational buffer.

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 of NDIS in the coming years.

Capital Expenditure – Decreased by $ 101,837 (2019:$ 137,764)

- 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. Replacement cost of service vehicles this year was $26,009
- A Building Condition assessment was conducted this 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 $7,174
- 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 potential future uncertainties of the COVID-19 pandemic. Replacement Computer equipment this year, inclusive of replacement telephony system and a new Fleet Telematics system totalled $68,653

Total Equity has grown to $ 5,318,050

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 was a second outbreak of COVID-19 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 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.

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.

The current Continuity of Support Programme (CoS) Funding Agreement with the Federal Department of Health was extended to 30 June 2021.

In relation to the National Disability Insurance Scheme and reform in aged care funding arrangements, 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 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 $92,091.

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 27 August 2020

Signed in accordance with a resolution of the Directors:

Director

Director

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2020

	Note	2020	2019
REVENUE FROM CONTINUING OPERATIONS		**$**	**$**
User Pay Fees		82,256	83,304
Donations		18,578	12,768
Membership Fees		270	305
Other Income		1,463,754	123,605
Hours Sold		16,272,230	14,317,841
Interest Received		35,093	32,765
Disability Services - Recurrent		(15,715)	46,649
Community Care - Recurrent		660,983	792,027
MyAgedCare - Recurrent		83,671	113,316
Other Grants		174,138	97,219
Transferred from/(to) Unspent Grants		86,802	142,139
TOTAL INCOME		**18,862,059**	**15,761,937**

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STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2020

	Note	2020	2019
EXPENSES		**$**	**$**
Advertising		8,725	9,338
Audit Fees		14,325	15,101
Bad and Doubtful Debts		-	4,439
Bank Charges		6,882	5,755
Cleaning		26,507	16,899
Computer Software / Support		167,173	180,171
Consultancy Fees		55,708	20,037
Craft Supplies		267	51
Depreciation		210,628	244,796
Donations		631	600
Electricity		20,091	21,132
Fees & Subscriptions		26,288	21,754
First Aid		17,259	4,655
Functions & Fundraising		23,374	26,636
General Expenses		7,761	11,622
Equipment & Hire		235,684	157,996
Hours Purchased Other Services		5,022,949	4,286,804
Insurance		92,091	80,218
Interest Paid		1,311	-
Loss on Disposal of Fixed Assets		15,034	1,372
Motor Vehicle Expenses		122,596	108,361
Provision for Doubtful Debts		-	5,000
Out of Pocket Expenses		11,838	12,182
Legal Costs		-	1,071
Postage & Stationery		86,814	95,788
Provision for Employee Entitlements		87,098	183,352
Quality Assurance		-	-
Rates		11,253	11,381
Rent		10,321	32,162
Repairs & Maintenance		83,583	43,818
Staff / Client Amenities		15,482	28,455
Staff Training		49,688	36,668
Superannuation		862,931	792,857
Telephone		102,793	59,485
Travelling / Mileage		186,320	158,500
Wages & Tsfr to Employee Entitlements		9,496,324	8,486,522
Volunteer Expenses		-	20
Workers' Comp Insurance		187,621	198,315
Recovery of Unspent Grant Funds		311,485	142,139
Provision for Vehicle Replacement		-	30,915
TOTAL EXPENSES		17,578,836	15,536,366
PROFIT (LOSS) FOR THE PERIOD		**1,283,223**	**225,571**

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

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
OTHER COMPREHENSIVE INCOME			
Transfer of reserves	11	58,583	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		58,583	-
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD		1,224,639	225,571

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STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2020

Retained Earnings (Accumulated Deficit)		**2020**	**2019**
		$	**$**
Beginning Balance 1 July		3,810,144	3,243,057
Contributions		-	-
Rounding		(1)	-
Adjustment to carried forward grant fund liability		-	(236,745)
Transfer to Reserves – WorkCover	11	35,747	64,044
Transfer to Reserves – Motor Vehicles	11	22,836	414,216
Transfer to Reserves – Future Growth		-	100,000
Net Income		1,224,639	225,571
Ending Balance 30 June		5,093,366	3,810,144

BALANCE SHEET
YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	3,252,628	1,882,961
Trade and other receivables	5	1,777,868	1,046,907
TOTAL CURRENT ASSETS		5,030,496	2,929,868
NON-CURRENT ASSETS			
Property, Plant & Equipment	7	3,246,444	3,331,538
TOTAL NON-CURRENT ASSETS		3,246,444	3,331,538
TOTAL ASSETS		8,276,939	6,261,405
CURRENT LIABILITIES			
Sundry creditors and provisions	8	129,362	-
Unexpended grants carried forward		315,241	402,043
Revenue received in advance	8	581,998	-
Employee provisions	10	812,442	739,748
TOTAL CURRENT LIABILITIES		1,839,043	1,141,790
NON-CURRENT LIABILITIES			
Loans payable	9	1,229,079	1,229,079
Employee provisions	10	94,797	80,393
Lease Liabilities	8	20,654	
TOTAL NON-CURRENT LIABILITIES		1,344,530	1,309,472
TOTAL LIABILITIES		3,183,573	2,451,262
NET ASSETS		5,093,367	3,810,144
EQUITY			
Retained earnings	11	4,456,523	3,231,883
Equity Reserves	11	636,844	578,261
TOTAL EQUITY		5,093,366	3,810,144
TOTAL EQUITY		5,093,366	3,810,144

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

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STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2020

	2020		2019	
Cash flows from operating activities	**$**	**$**	**$**	**$**
Cash receipts in the course of operations	18,591,201		15,355,970	
Interest received	35,093	18,626,294	32,765	15,388,735
Less:				
Cash payments in the course of operations	17,169,602		15,712,572	
Borrowing costs - interest paid	1,311	17,168,291	-	15,712,572
Cash flows from operating activities		1,458,003		(323,837)
Cash flows from investment activities				
Proceeds from sale of assets	13,500			
Payment for property, plant & equipment	(101,837)	(88,337)	(129,142)	(129,142)
		1,369,666		(452,979)
Cash flows from financing activities				
Loan raised/(repaid)	-	-	-	-
Net increase/(decrease) in cash		**1,369,666**		**(452,979)**
Cash at beginning of year		1,882,961		2,335,940
Cash at end of year				
Cash on hand	6,274		7,216	
Cash at bank	3,246,354	**3,252,628**	1,875,745	**1,882,961**
Net Movement in Bank Balances		**1,369,667**		**(452,979)**

Notes to Statement of Cash Flows

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

Net operating profit/(loss)		**1,283,223**		**225,571**
Depreciation	210,628		244,796	
Loss on disposal of assets	15,034		1,372	
Movement in equity			241,516	
(Increase)/decrease in sundry debtors	200,661		(265,983)	
(Increase)/decrease in other debtors	(916,090)			
Increase/(decrease) in trade creditors	49,313		(3,527)	
Increase/(decrease) in unexpended grants	(86,802)		(290,572)	
Increase/(decrease) in accruals	64,074		(282,062)	
Increase/(decrease) in revenue received in advance	581,998		5,000	
Increase/(decrease) in doubtful debts	(15,531)			
Increase/(decrease) in lease payable	(15,602)			
Increase/(decrease in employee provisions	87,098		183,353	
Increase/(decrease) in provision for vehicle replacements	-	174,780	(383,301)	(549,408)
Cash flows from operating activities		**1,458,003**		**(323,837)**

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 2020

Note 1 CORPORATE INFORMATION AND NATURE OF OPERATIONS

ALARA Qld is a company limited by Guarantee and is registered with the ACNC. It's 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 2020 were authorised for issue in accordance with a resolution of the directors on 7 September 2020.

COVID-19, a global Coronavirus pandemic, brought about challenges for ALARA's Service Delivery, particularly the inability to continue Centre-based and Group Activities between late March and June 2020. To mitigate some of the negative effects of physical distancing, ALARA Qld introduced virtual activities and welfare checks. The office was well-equipped with cloud-based information and communication technologies, which is indicative of how resilient ALARA Qld is with respect to any ongoing uncertainties, such as potential new outbreaks of COVID-19 impacting our catchment area.

A number of financial stimulus measures were introduced by the Commonwealth and State Governments and ALARA Qld was eligible to receive financial assistance in the form of JobKeeper Payments and Cash Flow Boosts through the Australian Taxation Office, which were reported as other Income in the Statement of Comprehensive Income.

A cash advance through the National Disability Insurance Scheme (NDIS) was also received and recorded in the Balance Sheet as Revenue Received in Advance. This cash advance was treated as unearned Income from the State Government, and disclosed under Trade Creditors and Other Payables, as it is required to be repaid in six (6) monthly instalments commencing from the October 2020 billing cycle.

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) LEASES

Finance Lease Transition

A property lease that was entered into in 2013 (with 3 x 3 year option to extend), has now been recognised in accordance with AASB16 - Leases. Management elected not to include initial direct costs in the measurement of the right-of-use asset. Transition of balances were recognised as a lease liability retrospectively with the cumulative effect of applying the Standard at the date of initial application, being 1 July 2019 for this lease that was previously classified as an operating lease.

(b) NEW STANDARD THAT IS EFFECTIVE FOR THESE FINANCIAL STATEMENTS

For any new contracts entered into, ALARA Qld considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee

At lease commencement date, ALARA Qld recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any re-assessment or modification.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and current lease liabilities have been disclosed in trade creditors and other payables.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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.

(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 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 may include the consequences of a further outbreak of COVID-19 on the future value of built assets, employee provisions and lease liabilities.

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 Note 5.

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 peformance 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 and ATO Cash Boosts were recorded as government grants and recognised in this year as the conditions were tied to wages and revenue performance criteria for financial year 2019-20. However, the NDIS prepayment was treated as deferred revenue.

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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

(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, particularly the provision for sick leave in the case of wider spread community transmission of COVID-19.

(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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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:

	2020	2019
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.

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, 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 in the event of a wider spread of COVID-19 into the community.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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.

On 17 June 2020, the Queensland State Parliament passed the bill extending Portable Long Service Leave (PLSL) to the community services sector. The effect of this legislation will result in hybrid reporting of leave liabilities, 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Note 4 CASH AND CASH EQUIVALENTS	2020	2019
	$	$
Cash at Bank	1,884,755	1,486,491
Cash at Bank - Donations Account	112,654	104,476
Cash at Bank - Maximiser Account	1,225,440	261,440
Cash at Bank - Self Directed	23,506	23,338
Cash on Hand	6,274	7,216
	3,252,628	1,882,961

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 including vehicle replacements
- Client support
- Emergency relief
- Employee entitlements
- Replacement for vehicles

Note 5 TRADE AND OTHER RECEIVABLES	2020	2019
	$	$
Sundry Debtors	875,996	1,076,657
Less: Provision for doubtful debts	(14,469)	(30,000)
Other debtors and accrued revenue	916,340	250
	1,777,868	1,046,907

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 2020 relate to claims submitted to the NDIA prior to the end of the financial year.

Accrued Revenue mainly relates to JobKeeper payments received in July to subsidise the May and June 2020 wages.

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'.

	2020	2019
	$	$
Balance at 1 July	30,000	25,000
Impairment losses recognised	(15,531)	5,000
Balance at 30 June	14,469	30,000

Note 7 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings	Furniture & Fittings	Plant & Equipment	IT Equipment	Motor Vehicles	Lease	Total
COST OR FAIR VALUE							
At 30 June 2019	2,931,218	131,285	284,053	390,204	1,006,287	-	4,743,048
Additions	6,534	311	1,856	67,126	26,009	52,231	154,068
Disposals		(164)	(47,496)	(168,071)	(26,144)		(241,875)
At 30 June 2020	**2,937,752**	**131,433**	**238,413**	**289,259**	**1,006,153**	**52,231**	**4,655,241**
ACCUMULATED DEPRECIATION							
At 30 June 2019	(269,304)	(112,612)	(229,979)	(265,508)	(534,107)	-	(1,411,510)
Charge for year	(27,233)	(3,930)	(13,332)	(41,955)	(108,462)	(16,116)	(211,028)
Disposals	-	158	46,031	152,578	14,974	-	213,741
At 30 June 2020	**(269,537)**	**(116,384)**	**(197,280)**	**(154,886)**	**(627,595)**	(16,116)	**(1,408,797)**
NET CARRYING AMOUNT							
at 30 June 2020	**2,641,216**	**15,049**	**41,133**	**134,373**	**378,557**	**36,115**	**3,246,444**

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

	2020	2019
CURRENT	$	$
Trade creditors	49,313	-
Lease payable	15,975	
Accrued wages	64,074	
Revenue received in advance	581,998	-
	711,361	-
NON-CURRENT		
Lease payable	20,654	
	20,654	-

Note 9 SECURED LOANS PAYABLE

	2020	2019
Non-current		
Luke's Place Salisbury Road - Mortgage Dept of Communities	1,229,079	1,229,079
	1,229,079	1,229,079

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

	2020	2019
(A) CURRENT	$	$
Long service leave	317,517	303,400
Annual leave	378,431	330,154
Sick leave	116,494	106,194
Total current provisions	812,442	739,748
(B) NON-CURRENT		
Long service leave	94,797	80,393
Total non-current provisions	94,797	80,393

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 23% 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	3,231,884	64,044	414,216	100,000	3,810,143
Current year surplus	1,283,223				1,283,223
Transfers to reserves	(58,583)	35,747	22,836	-	-
	4,456,523	**99,791**	**437,052**	**100,000**	**5,093,366**

(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 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 Communities, Disability Services and Seniors 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 27th day of August 2020

8 Warwick Road, Ipswich Q 4305
Telephone 617 3817 0600
Facsimile 617 3812 0450
Email alara@alaraqld.org.au
Website alaraqld.org.au
ABN 94 628 523 943 | ACN 164 125 384

AUDITOR'S INDEPENDENCE DECLARATION

Ramsey & Associates
Auditors & Accountants
A.B.N. 64 882 623 520

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Ipswich Qld 4305

PO Box 148 Ipswich

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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 2020 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

N. Morris
Neil Morris
Chartered Accountant
Registered Company Auditor

Date: 14 August 2020

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 2020, 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 2020 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.

Other Matter - Prior Year Audit
We advise that the financial statements for the previous year were audited by a different auditor.

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.

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, intention 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.

N. Morris

Ramsey & Associates
Auditors & Accountants
Ipswich & Boonah Qld

Neil Morris
Chartered Accountant
Registered Company Auditor

Date: 27/08/2020

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