CARPENTARIA DISABILTY SERVICES LTD

ABN: 85 940 440 965

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Moore Australia Audit (SA/NT) Pty Ltd

Level 2, 180 Flinders Street
Adelaide SA 5000

GPO Box 1171
Adelaide SA 5001

T +61 (0)8 8224 3300
F +61 (0)8 8224 3311

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF CARPENTARIA DISABILITY SERVICES LTD

In accordance with the requirements of subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the audit of Carpentaria Disability Services Ltd for the year ended 30 June 2023 there have been no contraventions of the independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

Moore Australia

MOORE AUSTRALIA AUDIT (SA/NT) PTY LTD

STEPHEN CAMILLERI
Director

Adelaide, South Australia
Dated: 29 September 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		$	$
Revenue and Other Income			
Boarding fees	2	**471,807**	471,455
Contract services	2	**25,097,240**	21,459,967
Grants	2	**4,626,250**	4,143,286
Harry’s Place income	2	**641,417**	610,180
Harry's Place - Conference rooms	2	**90,957**	74,669
Cafe	2	**325,973**	222,737
Miscellaneous revenue	2	**191,295**	337,419
Total Revenue and Other Income		**31,444,939**	27,319,713
Expenditure			
Audit, legal and consultants expenses		**332,917**	803,383
Direct client expenses		**470,545**	453,223
Insurance		**180,386**	149,188
Interest expense		**11,458**	2,176
Motor vehicle expenses		**277,586**	275,103
Repairs and maintenance		**316,729**	382,582
Salaries and wages		**25,474,101**	21,185,417
Other staff costs		**557,331**	325,969
Telephone		**81,334**	78,489
Utilities and waste removal		**382,244**	375,968
Miscellaneous expenses		**1,330,700**	958,413
Total Expenditure	3	**29,415,331**	24,989,911
Current year operating surplus before depreciation		**2,029,608**	2,329,802
Depreciation	3, 6, 7	**1,136,638**	981,089
Net current year operating surplus		**892,970**	1,348,713
Other Revenue			
Capital grant	2	**115,299**	93,828
Net current year surplus		**1,008,269**	1,442,541
Other comprehensive income		**-**	-
Total Comprehensive Income		**1,008,269**	1,442,541

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023	2022
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**5,187,862**	5,448,502
Trade and other receivables	5	**3,133,710**	3,355,294
Prepayments		**154,781**	21,162
TOTAL CURRENT ASSETS		**8,476,353**	8,824,958
NON-CURRENT ASSETS			
Property, plant and equipment	6	**30,848,140**	29,304,819
Right of use assets	7	**203,080**	215,136
TOTAL NON-CURRENT ASSETS		**31,051,220**	29,519,955
TOTAL ASSETS		**39,527,573**	38,344,913
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	**1,544,944**	1,120,326
Borrowings	9	**92**	250,051
Lease liabilities	10	**145,117**	108,648
Provisions	11	**1,878,869**	1,740,682
Contract liabilities	12	**9,311**	120,288
TOTAL CURRENT LIABILITIES		**3,578,333**	3,339,995
NON-CURRENT LIABILITIES			
Borrowings	9	**315,000**	315,000
Lease liabilities	10	**58,512**	105,177
Provisions	11	**402,013**	419,295
TOTAL NON-CURRENT LIABILITIES		**775,525**	839,472
TOTAL LIABILITIES		**4,353,858**	4,179,467
NET ASSETS		**35,173,715**	34,165,446
EQUITY			
Retained earnings		**35,078,855**	34,070,586
Reserve		**94,860**	94,860
TOTAL EQUITY		**35,173,715**	34,165,446

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Retained earnings	Leave reserve	Total
	$		$
Balance at 1 July 2021	32,628,045	94,860	32,722,905
Surplus for the year	1,442,541	-	1,442,541
Balance at 30 June 2022	**34,070,586**	**94,860**	**34,165,446**
Balance at 1 July 2022	**34,070,586**	**94,860**	**34,165,446**
Surplus for the year	1,008,269	-	1,008,269
Balance at 30 June 2023	**35,078,855**	**94,860**	**35,173,715**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income from contracting services		**26,372,142**	22,169,474
Receipt of grants		**5,884,324**	4,137,458
Payments to suppliers and employees		**(29,675,887)**	(24,676,036)
Interest received		**93,297**	5,428
Finance costs		**(11,458)**	(2,176)
Net cash generated from operating activities		**2,662,418**	1,634,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**5,000**	-
Payment for property, plant and equipment		**(2,502,370)**	(1,327,908)
Net cash used in investing activities		**(2,497,370)**	(1,327,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**(249,959)**	(500,050)
Repayment of lease liabilities		**(175,729)**	(75,980)
Net cash generated by/(used in) financing activities		**(425,688)**	(576,030)
Net cash increase in cash held		**(260,640)**	(269,790)
Cash and cash equivalents at beginning of financial year		**5,448,502**	5,718,292
Cash and cash equivalents at end of financial year	4	**5,187,862**	5,448,502

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. Carpentaria Disability Services Ltd (the Company) is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 29 September 2023 by the Directors of the Company.

Accounting Policies

a. Revenue

Revenue recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rendering of Services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Operating Grants

When the Company receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

– identifies each performance obligation relating to the grant;

– recognises a contract liability for its obligations under the agreement; and

– recognises revenue as it satisfies its performance obligations.

Capital Grant

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Company recognises income in profit or loss when or as the Company satisfies its obligations under terms of the grant.

Interest Revenue

Interest revenue is recognised using the effective interest method.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Other Revenue

Other revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

All revenue is stated net of the amount of goods and services tax.

b. Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

c. 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

d. Current and Non-current Classification of Assets and Liabilities

Assets and liabilities are presented in the statement of financial position based on current and non-current classification

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

A financial liability cannot be reclassified.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial assets

A financial asset that meets the following conditions is subsequently measured at amortised cost:

– the financial asset is managed solely to collect contractual cash flows; and
– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

– the right to receive cash flows from the asset has expired or been transferred;
– all risk and rewards of ownership of the asset have been substantially transferred; and
– the Company no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Company recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

f. Cash and cash equivalents

Cash and Cash Equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

g. Trade and Other Receivables

Trade and other receivables include amounts receivable for services rendered as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at transaction price and subsequently measured less any provision for impairment. Refer to Note 1(i) for further discussion on the determination of impairment losses.

h. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost, less, where applicable, accumulated depreciation and any impairment losses.

Property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Property, plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2% – 10%
Furniture and equipment	20% – 33.33%
Motor Vehicles	16.66% – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

i. Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

j. Leases

The Company as lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

– fixed lease payments less any lease incentives;
– variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
– the amount expected to be payable by the lessee under residual value guarantees;
– the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
– lease payments under extension options if lessee is reasonably certain to exercise the options; and
– payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company as lessor

The Company leases some areas in their building to external parties.

Upon entering into each contract as a lessor, the Company assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Company uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. Annual leave is recognised as part of provisions in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

n. Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration, whichever is earlier, before the company has transferred the goods or services to the customer.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Leave Reserve

The Leave Reserve provides for unexpected personal leave to be taken by employees.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

q. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) *Useful lives of property, plant and equipment*

As described in Note 1(h), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make. The Company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Company.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Company expects that most employees will not use all of their long service leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for long service leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

r. Economic Dependency and Going Concern

The financial report has been prepared on the basis that the Company is a going concern and will continue to operate. The Company operates within the contestable market known as the National Disability Insurance Scheme (NDIS). Within that scheme it competes with other providers for the provision of services on a commercial basis. At the date of this report, the Board of Directors have no reason to believe that income derived from NDIS will not continue.

The Board of Directors also believe the Company will be able to pay its debts and discharge its liabilities in the ordinary course of business for the foreseeable future.

NOTE 2: REVENUE AND OTHER INCOME

	Note	2023	2022
		$	$
Revenue			
Boarding Fees		**471,807**	471,455
Contract services under NDIS			
– Community access		**2,406,916**	1,666,729
– Medium term accommodation		**1,384,020**	-
– Pathways		**3,018,029**	2,877,599
– Pilot program		**-**	188,850
– Short term accommodation		**356,937**	628,341
– Supported independent living		**14,950,471**	13,246,570
– Therapy services		**2,980,867**	2,851,878
Total contract services		**25,097,240**	21,459,967
Revenue from (non-reciprocal) government grants and other grants			
– State/federal government operating grants		**4,601,650**	4,115,286
– Other grants		**24,600**	28,000
Total grants		**4,626,250**	4,143,286
Harry’s Place income		**641,417**	610,180
Harry's Place - conference rooms		**90,957**	74,669
Cafe		**325,973**	222,737
Miscellaneous revenue			
– Bank interest		**93,297**	5,428
– Centrelink – paid parental leave		**55,247**	55,624
– Gain on disposal of property, plant and equipment		**5,000**	-
– Other		**14,174**	276,367
– Workers compensation – wage reimbursements		**23,577**	-
Total miscellaneous revenue		**191,295**	337,419
State/federal government capital grants		**115,299**	93,828
Total revenue and other income		**31,560,238**	27,413,541

NOTE 3: EXPENSES

	Note	2023	2022
		$	**$**
Depreciation			
– Land and buildings	6	**781,004**	725,575
– Furniture and equipment	6	**6,969**	7,704
– Motor vehicle	6	**171,076**	171,208
– Right of use assets	7	**177,589**	76,602
Total depreciation		**1,136,638**	981,089
Finance costs:			
– Interest expenses on lease liabilities		**8,939**	1,241

NOTE 4: CASH AND CASH EQUIVALENTS

	2023	2022
	$	**$**
CURRENT		
Cash at bank	**5,186,066**	5,446,554
Cash on hand	**6,002**	5,187
Corporate credit card	**(4,206)**	(3,239)
	5,187,862	5,448,502

NOTE 5: TRADE AND OTHER RECEIVABLES

	2023	2022
	$	**$**
CURRENT		
Trade receivables	**1,708,512**	2,656,758
GST receivables	**105,851**	-
Other receivables	**1,339,595**	713,536
Provision for impairment	**(20,248)**	(15,000)
	3,133,710	3,355,294
Total current trade and other receivables	**3,133,710**	3,355,294

The Company’s normal credit term is 30 days.

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NOTE 5: TRADE AND OTHER RECEIVABLES (CONT.)

		Note	2023	2022
			$	$
a.	**Trade and other receivables classified as financial assets at amortised cost**			
	Trade and other receivables:			
	– Total current		**3,133,710**	3,355,294
	– Total non-current		**-**	-
			3,133,710	3,355,294
	Less GST receivables		**(105,851)**	-
	Trade and other receivables at amortised cost	18	**3,027,859**	3,355,294

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	$	$
Land and Buildings		
Freehold land at cost		
– Land	**3,080,000**	3,080,000
Total land	**3,080,000**	3,080,000
Buildings at cost		
– HUB	**24,008,743**	24,008,743
– Property Improvements	**4,170,891**	3,908,009
– WIP	**2,126,475**	144,504
Less accumulated depreciation	**(3,098,690)**	(2,317,686)
Total buildings	**27,207,419**	25,743,570
Total land and buildings	**30,287,419**	28,823,570
Furniture and Equipment		
Computer and equipment at cost	**32,865**	32,865
Less accumulated depreciation	**(31,724)**	(24,755)
Total furniture and equipment	**1,141**	8,110
Motor Vehicles		
Motor vehicles at cost	**1,285,784**	1,028,267
Less accumulated depreciation	**(726,204)**	(555,128)
Total motor vehicles	**559,580**	473,139
Total property, plant and equipment	**30,848,140**	29,304,819

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	**Motor Vehicles**	**Furniture and Equipment**	**Capital WIP**	**Total**
	$	**$**	**$**	**$**	**$**
2023					
Balance at the beginning of the year	28,679,066	473,139	8,110	144,504	29,304,819
Additions at cost	33,458	257,517	-	2,211,395	2,502,370
Disposals	-	-	-	-	-
Depreciation expense	(781,004)	(171,076)	(6,969)	-	(959,049)
Transfer	229,424	-	-	(229,424)	-
Carrying amount at the end of the year	28,160,944	559,580	1,141	2,126,475	30,848,140

Leased land and building

The Company leases buildings to external parties with rentals receivable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The table below represents a maturity analysis of the undiscounted lease receipts to be received after the reporting date.

2023	**1 year**	**2 years**	**3 years**	**> 3 years**	**Total**
Undiscounted annual lease receipts	545,056	327,326	274,516	95,934	1,242,832

NOTE 7: RIGHT OF USE ASSETS

The Company’s lease portfolio includes property leases. These leases have an average of 3 years as their lease term.

1. Options to extend or terminate

The option to extend or terminate is contained in one of the property leases of the Company. These clauses provide the Company opportunities to manage leases in order to align with its strategies. The extension or termination options is only exercisable by the Company. The extension options or termination options which were reasonably certain to be exercised have been included in the calculation of the Right of use asset.

2. Concessionary lease

There were no concessionary leases entered into by the Company.

NOTE 7: RIGHT OF USE ASSETS (CONT.)

i) AASB 16 related amounts recognised in the balance sheet

Right of use assets	2023	2022
	$	$
Leased Building	**500,181**	334,647
Accumulated depreciation	**(297,101)**	(119,511)
Total Right of use asset	**203,080**	215,136

Movement in carrying amounts:		
Leased Buildings:		
Opening net carrying amount	**215,136**	44,972
Addition to right-of-use asset	**165,533**	246,766
Depreciation expense	**(177,589)**	(76,602)
Net carrying amount	**203,080**	215,136
Total Right of use asset	**203,080**	215,136

ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	**177,589**	76,602

NOTE 8: TRADE AND OTHER PAYABLES

	Note	2023	2022
		$	$
CURRENT			
Trade payables		**710,001**	486,850
Accrued expenses		**251,114**	70,034
GST payables		**-**	74,716
Payroll liabilities		**541,503**	444,532
Other payables		**42,326**	44,194
		1,544,944	1,120,326

a. **Trade and other payables classified as financial liabilities at amortised cost**

	Note	2023	2022
Trade and other payables:			
– Total current		**1,544,944**	1,120,326
– Total non-current		**-**	-
		1,544,944	1,120,326
Less GST payables		**-**	(74,716)
Trade and other payables at amortised cost	18	**1,544,944**	1,045,610

NOTE 9: BORROWINGS

	2023	2022
	$	$
CURRENT		
– CBA - Better Business Loan	**92**	51
– CBA - Market Rate Loan	**-**	250,000
	92	250,051
NON-CURRENT		
_ Loan Payable – NT Housing Commission	**300,000**	300,000
– CBA - Better Business Loan	**15,000**	15,000
	315,000	315,000
Total Borrowings	**315,092**	565,051

At 30 June 2023, the loans are secured by a first ranking charge over all present and after acquired property of the Company.

NOTE 10: LEASE LIABILITIES

	2023	2022
	$	$
CURRENT		
Lease liabilities	**145,117**	108,648
	145,117	108,648
NON-CURRENT		
Lease liabilities	**58,512**	105,177
	58,512	105,177
	203,629	213,825

i) AASB 16 related amounts recognised in the statement of profit or loss

Interest expense on lease liabilities	**8,939**	1,241
Short-term leases expense	**96,787**	124,295
Low value asset leases expense	**-**	-

ii) Maturity analysis of lease liabilities

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

No later than 1 year	**147,308**	108,648
Between 1 to 5 years	**62,606**	109,861
Greater than 5 years	**-**	-
Total undiscounted lease liabilities	**209,914**	218,509

NOTE 11: PROVISIONS

	2023	2022
	$	$
CURRENT		
Provision for employee benefits: annual leave	**1,603,988**	1,439,159
Provision for employee benefits: long service leave	**274,881**	301,523
	1,878,869	1,740,682
NON-CURRENT		
Provision for employee benefits: long service leave	**402,013**	419,295
	402,013	419,295
	2,280,882	2,159,977

	Employee Benefits	Total
	$	$
Analysis of total provisions		
Opening balance at 1 July 2022	2,159,977	**2,159,977**
Additional provisions raised during year	2,046,011	**2,046,011**
Amounts used	(1,925,106)	**(1,925,106)**
Balance at 30 June 2023	2,280,882	**2,280,882**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for employee benefits includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for employee benefits includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(m).

NOTE 12: CONTRACT LIABILITIES

	2023	2022
	$	$
Contract services income received prior to the delivery	-	120,288
Payment for Harry's Place income received prior to the delivery	9,311	-
	9,311	120,288

NOTE 13: CAPITAL AND LEASING COMMITMENTS

In 2023, the Company entered into contracts to build two Specialist Disability Accommodation (SDA) properties. The Company is committed to incurring capital expenditure of $356,899. These commitments are expected to be settled in 2024.

The Company does not have non-cancellable short-term leases at 30 June 2023.

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent liabilities and/or assets at 30 June 2023.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2023, as part of ongoing service provision, the Company entered into an agreement to purchase a property, for $885,000. Settlement has passed on the property at the time of signing this report.
No other matter or circumstance has arisen since the end of the financial year which significant affect the operations of the company, the results of those operations or the state of affairs in future financial years.

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company, is considered key management personnel (KMP).

The total remuneration paid to KMP of the Company during the year are as follows:

	2023	2022
	$	$
Key Management Personnel Compensation	512,109	645,978

NOTE 17: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There are no transactions between the Company and other related parties during the year ended 30 June 2022 and 30 June 2023.

NOTE 18: FINANCIAL ASSETS AND LIABILITIES

The Company's financial assets and liabilities consist mainly of deposits with banks (Note 4), trade receivables (Note 5), and trade payables (Note 8).

The carrying amounts for each category of financial assets and liabilities, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follow:

NOTE 18: FINANCIAL ASSETS AND LIABILITIES (CONT.)

	Note	2023	2022
		$	$
Financial assets			
Financial assets at amortised cost:			
– cash and cash equivalents	4	**5,187,862**	5,448,502
– trade and other receivables	5(a)	**3,027,859**	3,355,294
Total financial assets		**8,215,721**	8,803,796
Financial liabilities			
Financial liabilities at amortised cost:			
– Trade and other payables	8(a)	**1,544,944**	1,045,610
Total financial liabilities		**1,544,944**	1,045,610

NOTE 19: MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2023, the number of members was 24.

NOTE 20: AUDITOR'S REMUNERATION

	2023	2022
	$	$
Remuneration of the auditor:		
– auditing or reviewing the financial statements	**26,500**	61,262

NOTE 21: COMPANY DETAILS

Carpentaria Disability Services Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The Company provides disability and therapy services for children, adolescents and adults. The services include:

- Supported Independent Living
- Short and Medium Term Accommodation
- Pathways Program
- Employment and Training
- Allied Health therapy programs

The registered office of the Company is:

1 Willeroo Street
Tiwi NT
0810

The principal place of business is:

1 Willeroo Street
Tiwi NT
0810

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 2 to 21, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
   a. comply with Australian Accounting Standards – Simplified Disclosures applicable to the entity; and
   b. give a true and fair view of the financial position of the registered entity as at 30 June 2023 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Directors' name and signature:

Name: Grant Lindsay	Name: Steven Porter
Dated this 29th day of September 2023	Dated this 29th day of September 2023

Moore Australia Audit (SA/NT) Pty Ltd

Level 2, 180 Flinders Street
Adelaide SA 5000

GPO Box 1171
Adelaide SA 5001

T +61 (0)8 8224 3300
F +61 (0)8 8224 3311

www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARPENTARIA DISABILITY SERVICES LTD

Opinion

We have audited the financial report of Carpentaria Disability Services Ltd ("the Company") which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and the Notes to the Financial Statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the accompanying financial report of Carpentaria Disability Services Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 auditor independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report. 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.

Board of Directors' Responsibility for the Financial Report

The Board of Directors of Carpentaria Disability Services Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal control as the Board of Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view so that it is free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARPENTARIA DISABILITY SERVICES LTD (CONT)

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.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Moore Australia

MOORE AUSTRALIA AUDIT (SA/NT) PTY LTD

STEPHEN CAMILLERI
Director

Adelaide, South Australia
Dated: 29 September 2023