FINANCIAL REPORTING

For the Year Ended 30 June 2019

ABN 75 065 087 210

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of United Disability Care Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

15.10.2019

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019	2018
	4	$	$
Revenue		30,852,087	26,423,531
Employee benefits expense		(22,804,060)	(21,856,551)
Administration expenses		(4,276,575)	(3,664,373)
Other expenses		(2,767,268)	(1,337,513)
Acommodation expenses		(249,487)	(334,817)
Vehicle expenses		(202,816)	(250,147)
Depreciation expense		(208,089)	(171,947)
Impairment losses on buildings		-	(56,270)
Gain/(Loss) on disposal of non-current assets		303,553	(268,800)
Finance costs		(23,151)	-
Profit/(Loss) before income tax		**624,194**	**(1,516,887)**
Income tax expense		-	-
Profit/(Loss) for the year		624,194	(1,516,887)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation increment for property, plant and equipment		-	132,000
Other comprehensive income for the year, net of tax		-	132,000
Total comprehensive income for the year		**624,194**	**(1,384,887)**

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2019

	Note	2019	2018
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	243,075	1,148,524
Trade and other receivables	6	1,896,834	656,997
Other assets	8	312,577	11,729
TOTAL CURRENT ASSETS		2,452,486	1,817,250
NON-CURRENT ASSETS			
Shares in Adelaide Supportive Care		3,500,000	-
Property, plant and equipment	7	6,042,087	6,743,073
TOTAL NON-CURRENT ASSETS		9,542,087	6,743,073
TOTAL ASSETS		11,994,573	8,560,323
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,466,782	(1,516,887)
Borrowings	10	2,955,459	-
Employee benefits	12	969,113	-
Other financial liabilities	11	34,252	132,000
TOTAL CURRENT LIABILITIES		5,425,606	132,000
NON-CURRENT LIABILITIES			
Borrowings	10	-	28,711
Employee benefits	12	888,636	788,671
TOTAL NON-CURRENT LIABILITIES		888,636	817,382
TOTAL LIABILITIES		6,314,242	3,504,186
NET ASSETS		5,680,331	5,056,137
EQUITY			
Issued capital	13	5	5
Reserves		132,000	132,000
Retained earnings		5,548,326	4,924,132
		5,680,331	5,056,137
TOTAL EQUITY		**5,680,331**	**5,056,137**

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	Total
2019		**$**	**$**	**$**	**$**
Balance at 1 July 2018		-	4,924,132	132,000	5,056,137
Profit for the year		-	624,194		624,194
Balance at 30 June 2019		-	5,548,326	132,000	5,680,331
2018					
Balance at 1 July 2017		5	6,441,019	-	6,441,024
Loss for the year		-	(1,516,887)	-	(1,516,887)
Revaluation increment (decrement)		-	-	132,000	132,000
Balance at 30 June 2018		**5**	**4,924,132**	**132,000**	**5,056,137**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2019	Note	2019	2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		10,583,579	7,545,784
Payments to suppliers and employees		(30,910,855)	(27,505,902)
Interest received		3,849	15,224
Finance costs		(23,151)	-
Receipt from government subsidies and grants		19,249,822	18,853,973
Net cash provided by/(used in) operating activities		**(1,096,756)**	**(1,090,921)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		946,711	-
Purchase of property, plant and equipment		(150,261)	(1,482,975)
Purchase of financial assets		(3,500,000)	-
Net cash provided by/(used in) investing activities		**(2,703,550)**	**(1,482,975)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from related party loan		2,925,000	-
Repayment of borrowings - finance leases		(30,143)	(39,814)
Repayment of insurance premium funding		-	(177,182)
Net cash provided by/(used in) financing activities			(216,996)
Net increase/(decrease) in cash and cash equivalents held		(905,449)	(2,790,892)
Cash and cash equivalents at beginning of year		1,148,524	3,939,416
Cash and cash equivalents at end of financial year		**243,075**	**1,148,524**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers United Disability Care Pty Ltd as an individual entity. United Disability Care Pty Ltd is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of United Disability Care Pty Ltd is Australian dollars.

The financial report was authorised for issue by those charged with governance on the date of the signing of the Responsible Persons' Declaration.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012.*

2. Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997.*

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the 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.

Government subsidies and grants

Government subsidies are recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Responsible person ....

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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.

Interest revenue

Interest is recognised using the effective interest method.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent.

Property, plant and equipment

accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Responsible person ....

Dated 01/11/2019

The depreciation rates used for each class of depreciable asset are shown below:

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

Fixed asset class	Depreciation rate
Buildings	2.00% - 10.00%
Plant and Equipment	7.50% - 50.00%
Motor Vehicles	20.00%
Leasehold improvements	2.00% - 10.00%

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company has financial assets measured in the following categories:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position .

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Summary of Significant Accounting Policies (Continued)

Equity instruments

The Company has an investment in Adelaide Supportive Care Pty Ltd which is in this category. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

Responsible person ....

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Summary of Significant Accounting Policies (Continued)

Equity instruments (Continued)

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

(f) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- Financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flowa are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

2. Summary of Significant Accounting Policies (Continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Responsible person ....

Dated ....01/11/2019..........................

2. Summary of Significant Accounting Policies (Continued)

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Economic dependence

United Disability Pty Ltd is dependent on continued funding from the Department of Health & Ageing, Disability Services Queensland and the National Disability Insurance Agency for the delivery of the majority of its services.. The introduction of the National Disability Insurance Scheme is scheduled to be rolled out on a regional basis within NSW and QLD progressively through to the 2019/20 financial year. The Company has had the majority of services transitioned to the NDIS model during the 2018/19 financial year.

For services transitioned to the NDIS model, the Company has been working with local NDIS Co-ordinators to ensure adequate care plans and related funding packages are made available. As at the date of this report, the Directors have no reason to believe on-going financial support won't be provided by relevant funding bodies as services are transitioned in the coming years.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	Applicable to annual reporting periods beginning on or after 1 January 2019	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges	Operating leases will be brought onto the statement of financial position through the recognition of a right to use asset and associated lease liability. Interest and amortisation expense will increase and rental expense will decrease.

Responsible person ....

Dated 01/11/2019

3. Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - land and buildings held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 30 June 2018. Those charged with governance have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Responsible person ....

Dated ....01/11/2019.......................................

4 Revenue and Other Income

	2019	2018
	$	$
Operating Activities		
Recurrent subsidies	2,648,569	7,270,115
NDIS funding	16,601,253	11,583,858
Rendering of services	1,576,889	550,529
Non-Operating Activities		
Interest received	3,849	15,224
Workers compensation reimbursments	77,452	84,749
Other income (including brokerage services)	9,323,938	6,919,056
Other reimbursments	620,137	-
Total revenue and other income	**30,852,087**	**26,423,531**

5. Cash and Cash Equivalents

	2019	2018
	$	$
Cash at bank and in hand	243,075	1,148,524
Total cash and cash equivalents	**243,075**	**1,148,524**

6. Trade and Other Receivables

	2019	2018
	$	$
CURRENT		
Trade receivables	824,994	656,497
Deposits paid	17,423	500
GST receivable	158,923	
Accrued revenue	895,494	
Total current trade and other receivables	**1,896,834**	**656,997**

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Responsible person ....

Dated ......01/11/2019......

7. Property, plant and equipment

	2019	2018
	$	$
LAND AND BUILDINGS		
Freehold land	1,436,000	1,436,000
At fair value	-	460,000
At cost	1,436,000	1,896,000
Total freehold land	1,436,000	1,896,000
Total Land		
Buildings		
At fair value	3,348,459	3,348,459
At cost	1,252,759	1,525,000
Accumulated depreciation	(294,489)	(260,703)
Total buildings	4,306,729	4,612,756
Total land and buildings	**5,742,729**	**6,508,756**
PLANT AND EQUIPMENT		
Plant and equipment	635,629	525,036
At cost	(521,900)	(475,031)
Accumulated depreciation	113,729	50,005
Total plant and equipment		
Motor vehicles		
At cost	984,434	1,201,285
Accumulated depreciation	(920,493)	(1,149,803)
Total motor vehicles	63,941	51,482
Leasehold Improvements		
At cost	293,537	292,194
Accumulated amortisation	(171,849)	(159,364)
Total leasehold improvements	121,688	132,830
Total plant and equipment	299,358	234,317
Total property, plant and equipment	**6,042,087**	**6,743,073**

Responsible person ....

Dated .... 01/11/2019 ....

(a) 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	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	TOTAL
	$	$	$	$	$	$
Year ended 30 June 2019						
Balance at the beginning of year	1,896,000	4,612,756	50,005	51,482	132,830	6,743,073
Additions	-	2,760	83,527	63,485	489	150,261
Disposals	(460,000)	(183,158)	-	-	-	(643,158)
Depreciation expense	-	(125,629)	(19,803)	(51,026)	(11,631)	(208,089)
Balance at the end of the year	**1,436,000**	4,306,729	113,729	63,941	121,688	6,042,087

8. Other Assets

	2019	2018
	$	$
CURRENT		
Prepayments	312,577	11,729
Total current other assets	**312,577**	**11,729**

9. Trade and Other Payables

	2019	2018
	$	$
CURRENT		
Trade payables	448,222	355,348
Client funds held	558	-
GST payable	-	197,714
Sundry payables and accrued expenses	333,245	720,301
Accrued wages and superannuation	684,757	451,524
Total current trade and other payables	**1,466,782**	**1,724,887**

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Responsible person ....

Dated 01/11/2019

10. Borrowings

	Note	2019 $	2018 $
CURRENT			
Unsecured liabilities:			
Related party loan	(c)18	2,925,000	-
Secured liabilities:			
Lease liability secured		30,459	31,891
Total current borrowings		**2,955,459**	**31,891**
NON-CURRENT			
Secured liabilities:			
Lease liability secured			28,711
Total non-current borrowings			**28,711**

Finance lease liabilities are secured by the underlying leased assets.

11. Other Liabilities

	2019 $	2018 $
CURRENT		
Revenue in advance	34,252	51,101
Total other liabilities	**34,252**	**51,101**

12. Employee Benefits

	2019 $	2018 $
Current liabilities		
Long service leave	120,371	107,106
Annual Leave	848,742	771,819
Total current employee benefits	**969,113**	**878,925**
Non-current liabilities		
Long service leave	888,636	788,671
Total non-current employee benefits	**888,636**	**788,671**

Responsible person ....

Dated 01/11/2019 ....

13. Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

The revaluation surplus at 30 June 2019 and comparative period relates to the land class ($132,000).

14. Leasing Commitments

(a) Finance leases	2019	2018
	$	$
Minimum lease payments:	20,725	34,618
- not later than one year	11,140	30,091
- between one year and five years	31,865	64,709
Minimum lease payments	(1,406)	(4,106)
Less: Future finance charges		
Total present value of lease commitments	**30,459**	**60,603**

Finance leases are in place for motor vehicles and other equipment, and normally have a term between 2 and 7 years. The agreements are non-cancellable and are secured by the underlying leased assets.

(b) Operating leases	2019	2018
	$	$
Minimum lease payments under noncancellable operating leases:		
- not later than one year	55,192	221,408
- between one year and five years	27,294	165,953
Total operating lease commitments	**82,486**	**387,361**

Operating lease commitments are generally for rental properties and office equipment and are indexed by CPI on an annual basis.

15, Key Management Personnel Remmuneration

The total remuneration paid to key management personnel of the Company is $ 235,834 (2018: $378,931). Included in key management personnel are Directors, General Manager, Funding Specialist and Chief Executive Officer.

Restatement of comparative (due to changes in classification of key management personnel)

The comparative total has been adjusted from previously reported $6,791,755 for 30 June 2018. The previous reported total included wages for Regional Managers, Area Managers, Operations Managers, Team Leaders and Corporate staff at head office which were not all employed by United Disability Care Pty Ltd.

Responsible person ....

Dated 01/11/2019 ....

16. Fair Value Measurement

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

Property, plant and equipment

- Land
- Buildings

The last independent valuation of these asset classes was performed on 30 June 2018.

17. Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

18. Related Parties

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

Key management personnel - refer to Note 15.

Other related parties

<u>Adelaide Supportive Care Pty Ltd</u>

On 31 May 2019, United Disability Care Pty Ltd purchased all 10 shares in Adelaide Supportive Care Pty Ltd for consideration of $3,500,000. Ownership at 30 June 2019 is 100% (30 June 2018: 0%).

Corporate Link Services Pty Ltd: A company owned by Mr J Margerison (Director) from 6 March 2017.

Lincs Pty Ltd: A company owned by Mr J Margerison (Director) from 6 March 2017.

ABA Consulting Services Pty Ltd: A company owned by Mr A Antonopoulos (Director)

DJ Health Services Pty Ltd: A company owned by Mr J Margerison (Director)

DS IP & Technology Pty Ltd: A company owned by Mr J Margerison (Director)

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

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Responsible person ....

Dated 01/11/2019

The following transactions occurred with related parties:

Transactions with Related Parties	Sales 2019 $	Purchases 2019 $	Sales 2018 $	Purchases 2018 $	Creditor of the company 2019 $	Debtor to the company 2019 $
Brokerage services supplied to Adelaide Supportive Care Pty Ltd						
The company receives payments for brokerage services. Amounts reimbursed by Adelaide Supportive Care Pty Ltd are inclusive of on-costs and an administration margin of 5%.	2,498,662	-	-	-	-	-
Outsourcing of accounting function to Corporate Link Services Pty Ltd						
A service agreement with Corporate Link Services was signed on 16 August 2015 for a 3 year commitment to the outsourced accounting function to align with anticipated grant funding.	-	2,467,272	-	1,934,630	137,046	30,602
Rental of administration centre from Lincs Pty Ltd	-	-	-	-	-	-
The company terminated this lease from November 2017	-	-	-	83,327	-	-
Brokerage services supplied to DJ Health Services Pty Ltd	-	-	-	-	-	-
The company receives payments for brokerage services. Amounts reimbursed by DH Health Services Pty Ltd are inclusive of on-costs and an administration margin of 5%.	6,641,715	-	6,434,410	-	28,479	571,330

Responsible person ....

Dated 01/11/2019

18. Related Parties (Continued)

(c) Loans from related parties

The loan from DJ Health Pty Ltd is on an arm's length basis with interest of 10% per annum. Interest is payable monthly in arrears. The repayment date for principal sum is 45 days after a demand by the borrowing party.

	Closing balance 2019
	$
Loans from related parties	
DJ Health Pty Ltd 2,925,000	2,925,000

19. Beneficial Holdings

The direct, indirect and beneficial holdings of directors and their director-related entities in the shares of the Company as at 30 June 2019 was 5 ordinary shares (2018: 5 ordinary shares).

20. Events after the end of the Reporting Period

The financial report was authorised for issue on the date of signing of the Responsible Entities' Declaration.

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

21. Statutory Information

During the comparative period on 2 October 2018, the company name changed from Accommodation Network Pty Ltd to United Disability Care Pty Ltd.

The registered office and principal place of business of the company is:

United Disability Care Pty Ltd
Level 5, 35 Robina Town Centre Drive
ROBINA QLD 4230

The principal place of business is:
C/- Sean Beasley
Unit 129, 136 Palm Meadows Drive
Carrara QLD 4211

Responsible person ....

Dated 01/11/2019

Responsible Persons' Declaration

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

- 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
- 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.***

Responsible person ....

Dated ....01/11/2019..

UNITED DISABILITY CARE PTY LTD

ABN 75 065 087 210

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF UNITED DISABILITY CARE PTY LTD

Unqualified Auditors Opinion

We have audited the financial report of United Disability Care Pty Ltd (the company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other 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' decalartion.

In our opinion, the accompanying financial report is in accordance with Division 60 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 2019 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements

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 division 60 of the Australian

Charities and Not-For-Profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

Emphasis of Matter – Shares in Adelaide Supportive Care Pty Ltd

Note 18 of the financial statements report a financial instrument representing shares in a related company, valued at cost of $3,500,000 as non-current assets. The purchase price of the shares was supported by an independent valuation dated 31 December 2018 of Adelaide Supportive Care Pty Ltd. Subsequent to the purchase completion 31 May 2019, there was significant structural changes to Adelaide Supportive Care with clients previously serviced by the company transferred to United Disability Care Pty Ltd.

As per accounting standards, the valuation of a financial instrument is governed by AASB 9 Financial Instruments which requires the asset to be measured at fair value. No fair value adjustment has been made by United Disability Care Pty Ltd since recognition date and the shares remain at cost. We recommend in future financial years the fair value assessment of unquoted equity instruments is conducted in line with AASB 13 Fair Value Measurement taking into account the change in structure.

Limitation in Scope – Government Funding

The company receives funding from funding bodies in respect of the funding agreement between both parties for the provision of disability services. Our audit report or audit engagement does not validate that the funds have been expensed in line with the funding agreement as this is outside the scope of our audit engagement

Responsibilities of the Directors of the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of Australian Accounting Standards –

Reduced Disclosure Requirements, Division 60 of the Australian Charities and Not-For-Profits Commission and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DICKFOS DUNN ADAM
Audit & Assurance

DDA

Dated 1.11.2019

SOUTHPORT

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