FINANCIAL Reporting

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report on United Disability Care Pty Ltd and Its Controlled Entities for the financial year ended 30 June 2023.

General Information

Directors

The names of the directors in office at any time during, or since the end of the year are:

Names	Position	Appointed/Resigned
Roger Emmerson	Chairperson	
Sylvia Capps	Director	Resigned 2/08/2023
Andrew Antonopulos	Director	
Trina Hockley	Director	Appointed 3/05/2023

Company secretary

Anita Mayer was appointed the position of Group Secretary from 23rd June 2022 and resigned from the position as at 30 April 2023.

Trina Hockley has been appointed the position of Group Secretary from 3 May 2023.

Review of operations

The loss of the Company after providing for income tax amounted to $ (3,260,934) (2022 profit: $23,349).

Significant changes in state of affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Principal activities and significant changes in nature of activities

The principal activities of United Disability Care Pty Ltd and its Controlled Entities during the financial year were disability service and support.

Events subsequent to reporting date

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

Likely developments

The Company is committed to continue its mission of providing high-quality disability services and support. It is actively exploring various strategic initiatives aimed at enhancing its service offerings and expanding its reach to serve a broader client base. The Directors anticipate these efforts will positively impact the Company's performance in the coming financial years. Specific details regarding these developments are proprietary and, if disclosed, could be detrimental to the Company's competitive position. Accordingly, further disclosure will be made at a time when it is deemed appropriate and less likely to result in any unreasonable prejudice to the Company.

General Information

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of United Disability Care Pty Ltd and it's Controlled Entities.

Auditor's Independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Charities and Not-for-profits Commission Act 2012 for the year ended 30 June 2023 has been received and can be found on page 3 of the financial report.

Director: .... **Director:** ....

Andrew Antonopoulos

Dated this 2nd day of December 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF UNITED DISABILITY CARE PTY LTD AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

(i) (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.

Dickfos Dunn Adam ....

T L Adam

Dated: 1 December 2023
SOUTHPORT

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		$	**$**
Revenue and other income	4	45,488,796	44,395,138
Interest income		10,322	133
Employee benefits expense		(31,626,313)	(31,488,790)
Depreciation and amortisation expense		(826,567)	(812,699)
Motor vehicle expense		(124,470)	(132,083)
Client service expense		(1,773,727)	(428,261)
Service house expense		(624,171)	(516,247)
Impairment - goodwill		(4,926,532)	(593,430)
Finance expense		(2,059,488)	(2,216,376)
Other significant operating expenses	5	(6,798,783)	(8,184,035)
Profit before income tax		**(3,260,934)**	**23,349**
Income tax expense	2(c)	-	-
Profit for the year		(3,260,934)	23,349
Total comprehensive income for the year		(3,260,934)	23,349

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	6	2,208,137	1,122,548
Trade and other receivables	7	1,279,276	2,453,549
Inventories	8	11,738	11,775
Other assets	9	179,881	286,602
TOTAL CURRENT ASSETS		**3,679,032**	**3,874,474**
NON-CURRENT ASSETS			
Other assets	9	-	258,695
Right-of-use assets	10	1,099,096	1,674,435
Property, plant and equipment	11	8,258,836	8,959,859
Intangible assets	12	16,124,172	21,050,704
TOTAL NON-CURRENT ASSETS		25,482,104	31,943,693
TOTAL ASSETS		**29,161,136**	35,818,167
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,135,904	1,030,576
Borrowings	14	2,801,376	1,937,500
Lease liabilities	10	518,612	516,189
Employee benefits	15	1,921,814	1,725,716
Other liabilities	16	30,994	98,648
TOTAL CURRENT LIABILITIES		**6,408,700**	**5,308,629**
NON-CURRENT LIABILITIES			
Borrowings	14	16,712,459	20,717,849
Lease liabilities	10	527,744	1,052,638
Employee benefits	15	243,943	209,865
TOTAL NON-CURRENT LIABILITIES		**17,484,146**	**21,980,352**
TOTAL LIABILITIES		**23,892,846**	**27,288,981**
NET ASSETS		**5,268,290**	**8,529,186**
EQUITY			
Issued capital		5	5
Asset revaluation reserve		3,404,100	3,404,100
Retained earnings		1,864,185	5,125,081
TOTAL EQUITY		**5,268,290**	**8,529,186**

The accompanying notes form a part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2023

2023	Ordinary Shares $	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2020	5	5,125,081	3,404,100	8,529,186
Loss attributed to group	-	(3,260,934)	-	(3,260,934)
Balance at 30 June 2023	**5**	**1,864,185**	**3,404,100**	**5,268,290**
2022				
Balance at 1 July 2021	5	5,101,747	132,000	5,233,752
Profit attributed to group	-	23,349	-	23,349
Revaluation increment		-	3,272,100	3,272,100
Balance at 30 June 2022	**5**	**5,125,081**	**3,404,100**	**8,529,186**

The accompanying notes form a part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		11,927,566	9,034,726
Receipt from grants and subsidies		35,532,332	34,130,370
Payments to suppliers and employees		(40,472,065)	(40,804,705)
Interest received		10,322	133
Interest paid		87,952	97,866
Finance costs		(2,059,488)	(2,216,376)
			(296,798)
Net cash provided by/(used in) operating activities		1,275,570	46,282
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		-	1,191,178
Puchase for investments		-	(1,200,000)
Purchase of property, plant and equipment		(13,189)	(595,651)
Net cash provided by/(used in) investing activities		(13,189)	(604,473)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	1,811,604
Repayment of leases		(610,423)	(533,897)
Repayment of loans		(3,141,514)	(312,500)
Net cash provided by/(used in) financing activities		(3,751,937)	965,207
Net increase/(decrease) in cash and cash equivalents held		1,085,589	407,016
Cash and cash equivalents at beginning of year		1,122,548	715,532
Cash and cash equivalents at end of financial year	6	2,208,137	1,122,548

The accompanying notes form a part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

The financial report covers United Disability Care Pty Ltd and its controlled entities ('the Group'). United Disability Care Pty Ltd ('the Parent') is a not for profit Company, registered and domiciled in Australia, ABN 75 065 087 210.

The Parent entity exercises control and owns at 30 June 2023:

- 100% of subsidiary Adelaide Supportive Care Pty Ltd (2022: 100%).
- 100% of subsidiary DJ Health Holdings Pty Ltd (2022: 100%).

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

The financial report was authorised for issue by the Directors on .

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the, 'Tier 2' reporting framework under Australian Accounting Standards. The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the company has not applied the following new and revised accounting standards that have been issued but are not yet effective.

- AASB 2020-1 Amendments to Australian Accounting Standards -Disclosure of accounting policies;

- AASB 2020-1 Amendments to Australian Accounting Standards Œ Classification of Liabilities as Current or Non-Current;

- AASB 2021-2 Disclosure of Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates; and

Amendments to AASB 2020-1 Presentation of Financial Statements and Making Materiality Judgements - Disclosure of Accounting Policies.

The amendments change the requirements with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in the standard are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board plans to develop guidance and examples to explain and demonstrate the application of the 'four-step materiality process'.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

1 Basis of Preparation

The amendments to this standard are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively.

<u>Amendments to AASB 2020-1 Presentation of Financial Statements Classification of Liabilities as Current or Noncurrent.</u>

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

<u>Amendments to AASB 2021-2 Disclosure of Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates.</u>

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty . The definition of a change in accounting estimates was deleted. Directors will assess the impact of this amendment. The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods

2 Summary of Significant Accounting Policies

(a)Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity s financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 21 to the financial statements.

Subsidiaries

Subsidiaries are all entities over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

2 Summary of Significant Accounting Policies

(b) 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 Group.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Group presents the contract as a contract.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Statement of financial position balances relating to revenue recognition

asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Other income
Donations must be spent in line with donors request income in.

Interest revenue is recognised using the effective interest rate method.

(c) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Parent: The parent group is exempt from Income Tax under Division 50 of the Income Tax Assessment Act 199 7.

Subsidiaries: The income tax expense (revenue) for the year comprises current income tax expense (income).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(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) Economic dependence

United Disability Pty Ltd and its Controlled Entities are dependent on continued funding from the Department of Health & Ageing and the National Disability Insurance Agency for the delivery of the majority of its services.

Directors believe that ongoing financial support will continue to be provided by relevant funding bodies.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

2 Summary of Significant Accounting Policies

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(g) 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 significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

LLand and buildings are measured using the revaluation model. Refer to note 3 - key estimation of property at fair value.

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 Group, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.00%-10.00%
Plant and Equipment	7.50%-50.00%
Motor Vehicles	20.00%
Computer Software	40.00%
Leasehold improvements	2.00%-10.00%
Right-of-Use - Buildings	10.00%

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

2 Summary of Significant Accounting Policies

(h) Intangibles

Goodwill arising from acquisition of subsidiaries

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Goodwill is carried at cost less accumulated impairment losses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that of:

liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 119 Employee Benefits .

Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;

ii) any non-controlling interest; and

iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.
Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any impairment triggers are identified.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Specific details on the Goodwill of the company and impairment assessments are provided in Note 12.

(i) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

2 Summary of Significant Accounting Policies

(j) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for shortterm leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed

-The lease payment change due to changes in an index or rate or a change in expected payments under a guaranteed residual value, in which cases the lease liability is remeasures by discounting the revised lease payment using an unchanged discount rate (unless the lease payment change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the rightofuse asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position. The Group applies AASB 136 Impairment of Assets to determine whether a rightofuse asset is impaired and accounts for any identified impairment loss as described in the Property, plant and equipment policy.

Rental leases on the properties are exempt under AASB 16 under the term of a short-term lease.

(k) Employee benefits

Provision is made for the Group'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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

3 Critical Accounting Estimates and Judgments

Thoes 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 Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group 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 - impairment of goodwill

In accordance with AASB 136 Impairment of goodwill, the Group is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of goodwill can be supported by the net present value of anticipated future cash flow projections which have been discounted at an appropriate rate. Refer to Note 12 for the disclosure and judgemental.

Key estimates - provisions of long service leave

As described in the accounting policies, provisions are measured at management's best estimate. Non - current portion of long service leave is set at 10%.

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.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was conducted by Opteon Solutions in the financial year ending 30 June 2022. Directors 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.

4 Revenue and Other Income

	2023 $	2022 $
Funding Income		
NDIS funding	35, 532 ,332	34 ,130,370
Over 65's	597,953	762,634
Total funding income	36, 130 ,285	34, 893 ,004
Other Income		
Service recoveries	744 ,796	636,067
Fee for service income	7,929,752	7,995,319
Management fee	-	125, 455
Profit on sale of assets	(49,520)	405,910
Other income	60	945
Reimbursement of occupancy charges	112,991	122,059
Workers Comp Reimbursements	148,518	216,379
Wage subsidy/traineeship revenue	471,914	-
Total other income	9,3 58,511	9,502,134
Total revenue and other income	45,488,796	44,395,138

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into at a point in time and over time, and the following table shows this breakdown:

	Total $
Year ended 30 June 2023	
- At a point in time	1,439,080
- Overtime	44, 060 ,036
Revenue from contracts with customers	45,499,116

	Total $
Year ended 30 June 2022	
- At a point in time	2,905,931
- Overtime	41,489,338
Revenue from contracts with customers	44, 395,269

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

5 Significant other operating expenses

	2023	2022
	$	$
Operating expenses		
Staff Training	119 ,990	142 ,431
Workers Compensation Wages	227 ,731	368 ,537
Workers Compensation	1,0 27,8 98	1,0 89,4 63
Accounting Fees	47, 990	41, 671
Computer Expenses	37, 231	43, 150
Consultancy Fees	64, 737	95, 429
Insurance - Public Liabilty	103 ,447	96, 509
IP Expenses	-	975 ,000
License Fees	126 ,186	212 ,761
Legal Expenses	47, 176	60, 491
Office Expenses	72, 125	75, 340
Office Telephone	57, 434	81, 696
Administration Expenses	4,1 56,4 35	4,2 13,3 31
Staff Amenities	37, 273	37, 560

6 Cash and Cash Equivalents

	2023	2022
	$	$
Cash on hand	1,622	1, 450
Bank balances	2,2 06,515	1, 121, 098
Total cash and cash equivalents	2,208,137	1,1 22,548

7 Trade and other receivables

	2023	2022
	$	$
GST receivable	172,582	169,352
Trade receivables	503,868	508,251
Provision for doubtful debts	(30,000)	(50,000)
NDIS debtor	632,826	1,825,946
Total current trade and other receivables	1,2 79,276	2,453,549

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

8 Inventories

	2023	2022
	$	$
At cost:		
Merchandise	11, 738	11, 775
Total inventory	11, 738	11, 775

9 Other Assets

	2023	2022
	$	$
Current		
Prepayments	48, 459	160,807
Deposits paid	131 ,422	125,795
Total current other assets	179 ,881	286,602
Non - Current		
Q-Leave PLSL Credits	-	258,695
Total non-current other assets	-	258,695
Total other assets	179 ,881	545,297

10 Lease

Right-of-use assets

	Office Premises
	$
Year ended 30 June 2023	
Balance at beginning of year	1,674,435
Amortisation charge	(575,339)
Balance at end of year	1,099,096

	Office Premises
	$
Year ended 30 June 2022	
Balance at beginning of year	1,708,733
Amortisation charge	(494,953)
Additions to right-of-use assets	460,655
Balance at end of year	1,674,435

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

Lease liabilities

	2023 $	2022 $
Current		
Operating- lease of premises	518,612	516,189
Total current lease liability	518,612	516,189
Non-current		
Operating- lease of premises	527,744	1,052,638
Total non-current lease	527,744	1,052,638
liability Total Lease liabilities	1,046,356	1,568,827

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

11 Property, plant and equipment

	2023 $	2022 $
Freehold land		
At fair value	4,275,000	4,335,000
At Cost	555,000	555,000
Total Land	4,830,0 00	4,890,000
Buildings		
At fair value	1,884,313	2,468,800
At cost	1,957,7 59	1,957,759
Accumulated depreciation	(598,528)	(643,552)
Total buildings	3,243,544	3,783,007
Plant and equipment		
At cost	620,494	617,562
Accumulated depreciation	(571,639)	(510,684)
Total plant and equipment	48,855	106,878
Motor vehicles		
At cost	399,273	399,273
Accumulated depreciation	(385,583)	(376,720)
Total motor vehicles	13,690	22,553
Office equipment		
At cost	275,653	275,653
Accumulated depreciation	(263,288)	(248,337)
Total office equipment	12,365	27,316
Computer equipment		
At cost	-	-
Computer software		
At cost	11,488	1,233
Accumulated depreciation	(1,456)	-
Total computer software	10, 032	1,233
Leasehold Improvements		
At cost	400,230	401,530
Accumulated depreciation	(299,880)	(272 ,658)
Total leasehold improvements	100,350	128 ,872
Total property, plant and equipment	8,258,836	8,959, 859

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

11 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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	Office Equipment	Computer Software	Leasehold Improvements	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2023								
Balance at the beginning of year	4,890,000	3,783,007	106,878	22,553	27,316	1,233	128,872	8,959,859
Additions	-	-	2,932	-	-	10,255	-	13,187
Disposals	(60,000)	(432,417)	-	-	-	-	(565)	(492,982)
Depreciation expense	-	(107,046)	(60,956)	(8,863)	(14,951)	(1,456)	(27,956)	(221,228)
Balance at the end of the year	4,830,000	3,243,544	48,854	13,690	12,365	10,032	100,351	8,258,836

	Land	Buildings	Plant and Equipment	Motor Vehicles	Office Equipment	Computer Software	Leasehold Improvements	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2022								
Balance at the beginning of year	1,991,000	4,658,011	166,515	45,078	35,964	-	115,119	7,011,687
Additions	-	-	34,146	-	6,606	46,099	93,011	179,862
Disposals	-	(1,132,259)	(9,019)	(508)	(786)	(44,866)	(48,607)	(1,236,045)
Depreciation expense	-	(115,845)	(84,764)	(22,017)	(14,468)	-	(30,651)	(267,745)
Revaluation increase	2,899,000	373,100	-	-	-	-	-	3,272,100
Balance at the end of the year	4,890,000	3,783,007	106,878	22,553	27,316	1,233	128,872	8,959,859

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

12 Intangible Assets

	2023 $	2022 $
Goodwill		
At Fair Value:		
Goodwill Arising from acquisition of subsidiaries	19,850,704	20,444,135
Impairment of goodwill	(4,236,532)	(593,431)
Total goodwill	15, 614,172	19,850,704
Intellectual Property - DS IP		
At cost	1,200,000	1,200,000
Accumulated amortisation and im pairm ent	(690,000)	-
Total intellectual property	510,000	1,200,000
Total Intangible assets	16,124,172	21,050,704

During the current financial year, United Disability Care Pty Ltd (UDC) undertook a comprehensive review of its impairment policy and the valuation of Goodwill, in response to changes in accounting standards. This review was conducted by MGI, an independent consultancy firm, specializing in such assessments.

MGI's review focused on the impairment of Goodwill in accordance with AASB 136 "Impairment of Assets". The primary objective was to evaluate the Goodwill associated with UDC, particularly in the context of its business acquisitions.

The Goodwill impairment model previously used by UDC has now been superseded by a new model developed by MGI. This change was necessary to ensure compliance with the latest accounting standards and to provide a more accurate representation of the company's financial position.

The scope of MGI's assessment was limited to the Goodwill assets related to the acquisitions of DJ Health Holdings Pty Ltd and Adelaide Supportive Care Pty Ltd. In evaluating these assets, the following key judgments were made in line with Australian Accounting Standards:

Identification of Cash Generating Units (CGUs): It was determined that the client lists of Adelaide Supportive Care (ASC) and DJ Health Holdings are the respective CGUs for each goodwill balance.

Recoverable Amount Assessment: The recoverable amount of each CGU was assessed using 'Value in Use' calculations.

Discounted Cash Flow Model: MGI developed a discounted cash flow model to estimate the present value of the future cash flows for each CGU. This approach was used to determine the recoverable amount of the Goodwill associated with each unit.

Impairment Charge Assessment: If the estimated recoverable amount is lower than the current carrying value of the Goodwill, an impairment charge is necessary. This charge will be recognized as an expense in the statement of profit and loss and will reduce the carrying amount of the Goodwill asset accordingly.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

12 Intangible Assets

Conversely, if the estimated recoverable amount is higher than the current carrying value, no impairment charge will be required for the financial year.

Annual Assessments: Going forward, UDC will conduct annual assessments of each CGU using the updated assumptions and models to ensure continued compliance and accuracy in reporting.

United Disability Care Pty Ltd (UDC) also reports the acquisition of Intellectual Property (IP) during the 2022 financial year. This acquisition involved the purchase of IP from DSIP at a cost of $1.2 million. The impairment of this acquired Intellectual Property is to be recognized over its estimated useful life of five years. This period reflects the expected duration over which the IP will generate economic benefits for UDC. The amortization of this asset is based on an agreed amortization schedule, which distributes the impairment charge over the five-year period.

It is important to note that this treatment in the financial statements is subject to annual review. Should there be indicators of impairment before the end of the scheduled five-year period, the carrying amount of the IP will be reassessed, and any necessary adjustments will be made in accordance with the relevant accounting standards.

13 Trade and Other Payables

	2023	2022
	$	$
Trade payables	170,304	196,658
Accruals and other creditors	909,019	609,848
Superannuation payable	221,557	206,401
Plan managed credit funds	(164 ,976)	17, 669
Total trade and other payables	1,135,904	1,030,576

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.

14 Borrowings

	2023	2022
	$	$
CURRENT		
Vendor finance loan from related party	1,336,590	1, 000,000
United marketing with related party	1,448,800	937,500
IPF Liability	15,986	-
Total current borrowings	2,801,376	1,937,5 00
NON-CURRENT		
Vendor finance loan from related party	8,019,542	14,206,132
Loan from related party - DJ Property Pty Ltd	8,692,917	6,511, 717
Total non-current borrowings	16,712 ,459	20,717,849
Total borrowings	19,513,835	22,655,349

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

15 Employee Benefits

	2023 $	2022 $
CURRENT		
Long service leave	680,244	644,626
Provision for annual leave	1,241,570	1,081,090
Total current provision	1,921,814	1,725,716
NON-CURRENT		
Long service leave	243,943	209,865
Total non-current provision	243,943	209,865

16 Other Liabilities

	2023 $	2022 $
CURRENT		
Recurrent funds received	-	70,095
Donations held for specific purpose	30,994	28,553
Total other liabilities	30,994	98,648

17 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on land. As at 30 June 2023, the balance of the reserve $3,404,100 relates to an independent valuation of land in 2022.

18 Fair Value Measurement

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

Property, Plant and Equipment

- Land

- Building

19 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of the Group is $1,311,832 (2022: $743,529).

Includes in the 2023 key management personnel disclosed are Directors, CEO, Executive Officer, GM people and Development, Quality and Safeguarding manager, GM Service delivery, Operations Manager, Financial Controller and Finance and Funding Manager.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

19 Key Management Personnel Remuneration

The increase in KMP in comparison to previous years is primarily attributed to the changes in reporting requirements as mandated by the Australian Charities and Not-for-profits Commission (ACNC). In accordance with the revised ACNC guidelines, The Company has adjusted the reporting of KMP remuneration to include the costs associated with key management personnel who are not direct employees of the charity but are provided by a separate management ent ity.

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

21 Related Parties

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

The ultimate parent entity, which exercises control over the Company, is United Disability Care Pty Ltd which is incorporated in Australia and owns:

-100% of subsidiary Adelaide Supportive Care Pty Ltd (2020: 100%). Shares were purchased shares 31 May 201 9.

-100% of subsidiary DJ Health Holdings Pty Ltd (2020: 100%). Shares were purchased 31 January 2020 .

Key management personnel - refer to Note 19.

Other related parties include:

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

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

DS IP & Technology Pty Ltd: A company owned by Mr J Margerison (Investor),only applicable for 2022.

DJ Property Pty Ltd: A company owned by Mr J Margerison (Investor).

(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. The following transactions occurred with related parties:

			Balance outstanding	
	Purchases $	Sales $	Owed to the Group $	Owed by the Group $
2023				
DS IP & Technology Pty Ltd	-	-	-	-
Corporate Link Services Pty Ltd	4,663,918	233,468	6,674	86, 938
ABA Consulting Services Pty Ltd	24,362	-	-	3,411
2022				
DS IP & Technology Pty Ltd	194,433	12,340	-	-
Corporate Link Services Pty Ltd	4,667,294	218,585	10, 678	2,921
ABA Consulting Services Pty Ltd	29,308	-	-	803

21 Related Parties

(c) Loans from related parties

Unsecured loans are made to the ultimate parent entity on an arm's length basis

Vendor finance loan from Investor (Mr J Margerison)
The payment term of the loan is 10 years after the interest commencement date of 1 February 2020. The loan is unsecured and repayable in cash. Per the signed agreement, the interest rate applied is set at 10% p.a

Related party loan from DJ Property Pty Ltd Loan
The payment term of the loan is 10 years after the interest commencement date of 1 April 2020. The loan is unsecured and repayable in cash. Per the signed agreement, the interest rate applied is set at 10% p.a.

Related party loan from United Marketing (Mr J Margerison)
The payment terms of the loan is 2 years after the interest commencement date of 1 December 2021. The loan is unsecured and repayable in cash. Per the signed agreement, the interest rate applied is set at 5% p.a.

	Closing balance $
Loans from DJ Property Pty Ltd	
2023	9,356,132
2022	15,206 ,132
Vendor finance loan from Investor (Mr J Margerison)	
2023	10,141,717
2022	6,511,717
United Marketing with John Margersion	
2023	-
2022	937,500

(d) Other related party movement

Sale of Property

During the reporting period FY2023, UDC executed a transaction that involved the sale of its Moree Property to Australian Property Reserve, a Company owned by John Margerison (Investor). This sale forms a critical part of UDC s ongoing debt reduction strategy, which aims to improve the company s financial stability and long term sustainability. The sale was primarily undertaken as part of a targeted effort to reduce UDC s outstanding debt. Proceeds from the sale have been allocated to service high interest debts, thereby lowering UDC s overall interest expense and improving liquidity. In addition to its financial implications, UDC was successful to negotiate a condition with the buyer where the buyer has committed to retaining the existing clients ensuring ongoing accommodation options to vulnerable people.

22 Events after the end of the Reporting Period

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

23 Statutory Information

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

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

Directors' Declaration

The directors of the Company declare that:

- in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- in the directors' opinion, the attached financial statements and notes are in accordance with 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 .... RK ....

Director ....
Andrew Antonopoulos

Dated 21/12/2023

UNITED DISABILITY CARE PTY LTD AND ITS CONTROLLED ENTITIES
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
UNITED DISABILITY CARE PTY LTD AND ITS CONTROLLED ENTITIES

Unqualified Auditors Opinion
We have audited the financial report of United Disability Care Pty Ltd and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures.

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 group 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 group, 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 – Goodwill Valuation
With reference to Note 3 Directors judgement on goodwill valuation and impairment, if any of the Directors assumptions in respect of impairment of goodwill in particular estimated fair value of the income generating areas to which the goodwill relates there is a underlying risk of overstatement of intangible assets.

Emphasis of Matter – Going Concern and Liquidity
The financial statements report low liquidity with current assets significantly lower than current liabilities together with a reported loss of $3.26m due to goodwill impairment reported of $4.93m. Directors have assessed the company as a going concern and ability to pay debts when due and payable and Board meetings continually assess cashflow forecasts and implement strategies for cashflow management. The company also has the ability to negotiate the timing of related entity supplier payments and borrowings to settle debts when due and payable. Our audit opinion is not modified in this regard.

Responsibilities of the Directors of the Financial Report
The directors of the group 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 –Simplified Disclosures and 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 group'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 group 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 group'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 group'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 group 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

Dickfos Dunn Adam

T [redacted]m

Dated: 11 January 2024
SOUTHPORT

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