

CASPA Services Ltd

ABN 78 263 985 795

Financial Statements

For the Year Ended 30 June 2022

CASPA Services Ltd

ABN 78 263 985 795

Contents

For the Year Ended 30 June 2022

	Page
Financial Statements	
Auditor's Independence Declaration	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Responsible Persons' Declaration	23
Independent Audit Report	24

25 October 2022

The Board of Directors
CASPA Services Limited
17 Keen Street
LISMORE NSW 2480

This declaration is made in connection with our audit of the financial report of CASPA Services Limited for the year ended 30 June 2022 and in accordance with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- i. no contraventions of the auditor's independence requirements as set out in 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.

WCA audit & assurance services pty ltd
Authorised Audit Company



Steven Trustum
Director

**REGISTERED
COMPANY
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP
SI Trustum
BBus, CA, DipFP
TL Kirkland
BBus, CA

**SMSF
AUDITORS**

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CASPA Services Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue and other income	4	60,662,324	46,293,862
Depreciation and amortisation expense		(936,966)	(861,190)
Employee benefits expense	6	(45,325,923)	(32,805,125)
Flood impairment		(188,390)	-
Interest expense		(16,632)	(22,051)
Other operating expenses	5	(14,714,561)	(11,804,191)
Profit before income tax		(520,150)	801,305
Income tax expense		-	-
Profit for the year		(520,150)	801,305
Total comprehensive income for the year		(520,150)	801,305

The accompanying notes form part of these financial statements.

CASPA Services Ltd

ABN 78 263 985 795

**Statement of Financial Position
As At 30 June 2022**

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	156,978	542,605
Trade and other receivables	8	5,887,165	8,515,714
Other assets	9	159,533	178,269
TOTAL CURRENT ASSETS		6,203,676	9,236,588
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,561,757	3,807,654
Right-of-use assets	11	192,759	841,313
Other assets	9	470,222	246,509
TOTAL NON-CURRENT ASSETS		4,224,738	4,895,476
TOTAL ASSETS		10,428,414	14,132,064
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	3,624,451	4,244,101
Borrowings	13	5,227	14,983
Employee benefits	14	2,111,079	1,641,345
Other liabilities	15	111,735	2,718,018
Lease liabilities	11	123,670	284,732
TOTAL CURRENT LIABILITIES		5,976,162	8,903,179
NON-CURRENT LIABILITIES			
Borrowings	13	1,350,000	1,005,227
Employee benefits	14	299,933	396,995
Lease liabilities	11	75,789	579,984
TOTAL NON-CURRENT LIABILITIES		1,725,722	1,982,206
TOTAL LIABILITIES		7,701,884	10,885,385
NET ASSETS		2,726,530	3,246,679
EQUITY			
Reserves		176,741	176,741
Retained earnings		2,549,789	3,069,938
TOTAL EQUITY		2,726,530	3,246,679

The accompanying notes form part of these financial statements.

CASPA Services Ltd

ABN 78 263 985 795

Statement of Changes in Equity
For the Year Ended 30 June 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	3,069,938	176,741	3,246,679
Profit/(loss) for the year	(520,150)	-	(520,150)
Balance at 30 June 2022	<u>2,549,788</u>	<u>176,741</u>	<u>2,726,529</u>

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	2,268,633	176,741	2,445,374
Profit/(loss) for the year	801,305	-	801,305
Balance at 30 June 2021	<u>3,069,938</u>	<u>176,741</u>	<u>3,246,679</u>

The accompanying notes form part of these financial statements.

CASPA Services Ltd

ABN 78 263 985 795

Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	66,748,898	51,417,158
Payments to suppliers and employees	(66,560,521)	(49,008,223)
Interest received	2,862	2,460
Interest paid	(16,632)	(22,051)
Net cash provided by/(used in) operating activities	17 174,607	2,389,344
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	16,986	-
Purchase of property, plant and equipment	(642,676)	(1,420,518)
Net cash provided by/(used in) investing activities	(625,690)	(1,420,518)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	8,475,000	5,049,300
Repayment of borrowings	(8,139,983)	(5,014,335)
Payment of lease liabilities	(269,561)	(338,717)
Net cash provided by/(used in) financing activities	65,456	(303,752)
Net increase/(decrease) in cash and cash equivalents held	(385,627)	665,074
Cash and cash equivalents at beginning of year	542,605	(122,469)
Cash and cash equivalents at end of financial year	17(a) 156,978	542,605

The accompanying notes form part of these financial statements.

CASPA Services Ltd

ABN 78 263 985 795

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers CASPA Services Ltd as an individual entity. CASPA Services Ltd is a not-for-profit Company, registered and domiciled in Australia.

Principal Activities

The principal activities of the Company for the year ended 30 June 2022 were the provision of therapeutic care and supported accommodation for children and young people with high support needs who cannot live with their natural family due to breakdown of family relationships or due to the child or young person's emotional/mental health or behaviour.

The functional and presentation currency of CASPA Services Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 25 October 2022.

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

1 Basis of Preparation

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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 Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

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

Grant Income

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.

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.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital Grants

Capital grants received to enable the Company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Company's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For the acquisition of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset. Legacies are recognised when the Company is notified of an impending distribution or the legacy is received, whichever occurs earlier.

Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(b) Income Tax

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

(c) 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 payables 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.

(d) 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.

Land and buildings

Land and buildings are measured using the cost 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.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10% - 50%
Furniture, Fixtures and Fittings	7.5% - 15%
Motor Vehicles	25%

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 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

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

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.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

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, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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.

The Company uses the presumption that an asset which is more than 90 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 120 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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 flows 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

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.

(f) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(g) Leases

(i) Lease assessment at contract inception

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

(ii) Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Leases

(iii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iv) Adoption of short term leases or low value asset exception

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Critical Accounting Estimates and Judgments

The directors 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 - 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 available at the reporting date.

Key estimates - COVID 19

As a result of the spread of the COVID 19 pandemic, economic uncertainties have arisen which may have an impact on the Company. The Government mandated restrictions and Health Orders have impacted the operations and delivery of the Company's programs. The Company's Government funded programs are considered essential and the Company's revenue from Government funded programs have not been negatively affected. There may be additional financial impacts as a result of the spread of COVID 19 but these cannot be accurately and reliably measured.

4 Revenue and Other Income

	2022	2021
	\$	\$
Fee for service income	17,196,455	17,378,645
Fundraising income	73,469	12,640
Grant income	41,532,149	28,238,194
Insurance compensation	649,637	13,784
Interest income	2,862	2,460
Other income	1,090,817	673,627
Profit on sale of assets	910	(85,955)
Rent received	116,025	60,467
Total revenue and other income	60,662,324	46,293,862

CASPA Services Ltd

ABN 78 263 985 795

Notes to the Financial Statements For the Year Ended 30 June 2022

5 Other operating expenses

	2022	2021
	\$	\$
Administration expenses	210,461	161,009
Consultants and contractors	2,039,935	1,108,102
Grant program expenses	7,152,782	6,061,728
IT expense	318,785	369,239
Motor vehicle expenses	739,992	416,769
Occupancy expenses	1,787,350	1,247,331
Office expenses	105,937	139,429
Repairs & maintenance	432,100	340,950
Sundry expenses	1,452,856	1,343,498
Telephone and internet	474,363	616,136
Total other operating expenses	14,714,561	11,804,191

6 Employee benefits expense

	2022	2021
	\$	\$
Salaries & wages	39,759,233	28,680,770
Employee leave expense	370,516	501,488
Superannuation	3,576,648	2,454,614
Other employment expenses	1,619,525	1,168,253
Total employee benefits expense	45,325,922	32,805,125

7 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	134,968	520,596
Short-term deposits	22,010	22,009
	156,978	542,605

(a) Restricted cash

\$22,010 is held in a term deposit as a bank guarantee for the registered mortgage with Commonwealth Bank of Australia.

Notes to the Financial Statements
For the Year Ended 30 June 2022

8 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	2,403,524	4,358,923
Other receivables	10,102	1,500
Accrued income	3,473,539	4,155,291
Total current trade and other receivables	5,887,165	8,515,714

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. The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

9 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	159,533	178,269
	<u>159,533</u>	<u>178,269</u>
NON-CURRENT		
Prepayments	470,222	246,509
	<u>470,222</u>	<u>246,509</u>

10 Property, plant and equipment

	2022	2021
	\$	\$
Land and buildings		
At cost	2,196,012	2,154,012
Accumulated depreciation	(121,077)	(92,906)
Total land and buildings	<u>2,074,935</u>	<u>2,061,106</u>
Plant and equipment		
At cost	359,817	439,967
Accumulated depreciation	(194,019)	(125,858)
Total plant and equipment	<u>165,798</u>	<u>314,109</u>

Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, plant and equipment

Furniture, fixtures and fittings

At cost

671,966 559,183

Accumulated depreciation

(259,155) (144,379)

Total furniture, fixtures and fittings

412,811 414,804

Motor vehicles

At cost

1,358,293 1,222,958

Accumulated depreciation

(664,260) (514,055)

Total motor vehicles

694,033 708,903

Computer software

At cost

467,323 467,323

Accumulated depreciation

(253,143) (158,591)

Total computer software

214,180 308,732

Total plant and equipment

1,486,822 1,746,548

Total property, plant and equipment

3,561,757 3,807,654

(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 and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Software	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2022						
Balance at the beginning of the year	2,061,111	314,109	414,803	708,904	308,732	3,807,659
Additions	42,000	-	339,455	261,221	-	642,676
Disposals	-	(29,482)	(138,814)	(36,182)	-	(204,478)
Depreciation expense	(28,176)	(118,829)	(202,633)	(239,910)	(94,552)	(684,100)
Balance at the end of the year	<u>2,074,935</u>	<u>165,798</u>	<u>412,811</u>	<u>694,033</u>	<u>214,180</u>	<u>3,561,757</u>

11 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a lessee

The Company has leases over a range of assets including land and buildings, vehicles and IT equipment.

CASPA Services Ltd

ABN 78 263 985 795

**Notes to the Financial Statements
For the Year Ended 30 June 2022**

11 Leases

(a) Right-of-use assets

	Property, Plant and Equipment \$
Year ended 30 June 2022	
Balance at beginning of year	841,313
Additions to right-of-use assets	42,156
Depreciation	(252,859)
Leases disposed of	(437,851)
Balance at end of year	<u><u>192,759</u></u>

	Property, Plant and Equipment \$
Year ended 30 June 2021	
Balance at beginning of year	381,228
Additions to right-of-use asset	807,532
Depreciation charge	(344,285)
Leases disposed of	(3,162)
Balance at end of year	<u><u>841,313</u></u>

(b) Lease liabilities

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	129,750	78,286	-	208,036	199,459
2021					
Lease liabilities	299,843	587,629	-	887,472	864,716

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Trade and Other Payables

	2022	2021
	\$	\$
Current		
Trade payables	2,379,756	3,244,200
Accrued expenses	708,275	507,592
Accrued wages	536,417	492,310
	<u>3,624,448</u>	<u>4,244,102</u>

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.

13 Borrowings

	2022	2021
	\$	\$
CURRENT		
Secured liabilities:		
Finance lease	5,227	14,983
Total current borrowings	<u>5,227</u>	<u>14,983</u>
	2022	2021
	\$	\$
NON-CURRENT		
Secured liabilities:		
Finance lease	-	5,227
Bank loan	1,350,000	1,000,000
Total non-current borrowings	<u>1,350,000</u>	<u>1,005,227</u>
Total borrowings	<u>1,355,227</u>	<u>1,020,210</u>

The bank loan is secured by a registered first mortgage over certain freehold properties owned by the Company.

The Company has applied Amendment 2020-1 and the bank loan has been recognised as non-current as the Company has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

The repayment arrangement for the bank loan is interest-only for the term of the loan, and the facility will be due for renewal on 27 January 2024.

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Annual leave	1,860,866	1,586,068
Long service leave	250,213	55,277
	<u>2,111,079</u>	<u>1,641,345</u>
Non-current liabilities		
Long service leave	299,933	396,995
	<u>299,933</u>	<u>396,995</u>

15 Other Liabilities

	2022	2021
	\$	\$
CURRENT		
Unexpended grants	111,735	2,718,018
	<u>111,735</u>	<u>2,718,018</u>

16 Reserves

(a) Asset revaluation reserve

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

17 Cash Flow Information

(a) Reconciliation of cash

	2022	2021
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	156,978	542,605

Notes to the Financial Statements
For the Year Ended 30 June 2022

17 Cash Flow Information

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit for the year	(520,149)	801,308
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	936,966	861,190
- net gain on disposal of property, plant and equipment	(910)	85,951
- impairment loss	188,390	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	2,628,549	(2,291,953)
- (increase)/decrease in other assets	(204,977)	(249,067)
- increase/(decrease) in income in advance	(2,606,283)	2,694,018
- increase/(decrease) in trade and other payables	(619,651)	(28,946)
- increase/(decrease) in provisions	372,672	516,843
Cashflows from operations	<u>174,607</u>	<u>2,389,344</u>

(c) Borrowing facilities

The following facilities were available at the end of the reporting period:

	2022	2021
	\$	\$
Total facilities		
Bank loan facility	1,350,000	1,350,000
Credit card	140,000	140,000
	<u>1,490,000</u>	<u>1,490,000</u>
Used at reporting date		
Bank loan facility	1,350,000	1,000,000
Credit card	-	-
	<u>-</u>	<u>-</u>
Unused at reporting date		
Bank loan facility	-	350,000
Credit card	140,000	140,000
	<u>140,000</u>	<u>490,000</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

17 Cash Flow Information

(c) Borrowing facilities

The finance facilities are secured by registered first mortgage over the properties at 621 Ballina Road, Goonellabah, 17-19 Keen Street, Lismore NSW 2480 and 821 Jiggi Road, Jiggi NSW 2480.

18 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 4 each towards meeting any outstandings and obligations of the Company.

19 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 612,112 (2021: \$ 604,303).

20 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor WCA Audit & Assurance Services Pty Ltd for:		
- auditing the financial statements	38,000	35,800
- other services	2,400	5,986
Total	40,400	41,786

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021:None).

22 Related Parties

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

Key management personnel - refer to Note 19.

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.

CASPA Services Ltd

ABN 78 263 985 795

Notes to the Financial Statements

For the Year Ended 30 June 2022

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 October 2022 by the Board of Directors.

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.

24 Statutory Information

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

CASPA Services Ltd
17 Keen Street
Lismore NSW 2480

CASPA Services Ltd

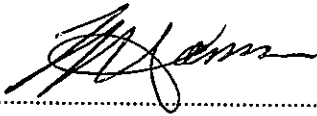
ABN 78 263 985 795

Responsible Persons' Declaration

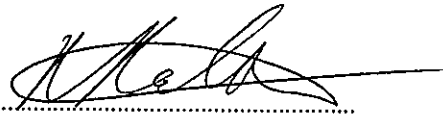
The responsible persons declare that in the responsible persons' opinion:

- 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*.



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Dated 25 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CASPA SERVICES LTD

Opinion

We have audited the financial report of CASPA Services Ltd. (the Company), which comprises the statement of financial position as at 30 June 2022, 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 directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

REGISTERED
COMPANY
AUDITORS

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

TL Kirkland
BBus, CA

SMSF
AUDITORS

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

T Bazzana
BBus, CA, DipFP, AFP®

MJ Gahan
BBus, CA, DipFP

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASPA SERVICES LTD

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards-Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the 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 related 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

wca audit & assurance services Pty Ltd
Authorised Audit Company



Steven I Trustum
Director

Date: 25 October 2022

REGISTERED COMPANY AUDITORS

GJ Smith

BBus, LLB, CA, DipFP

SI Trustum

BBus, CA, DipFP

TL Kirkland

BBus, CA

SMSF AUDITORS

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MJ Gahan

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