Quality Community Care

2022

Annual Report

SOUTH EASTERN COMMUNITY CARE

Beginning

"Dr Mitchell planted the seed,

the councils and Auxiliaries

watered and fertilized it,

the first branch was home help,

and now the tree looks very healthy

with a lovely canopy that is giving help

and shade to all who need it.

Long may it continue to grow."

ANALOGY QUOTED BY SR ANNE GUNN.
Official opening of Richmond premises.
25 July 2000

South Eastern Nursing and Home Care Association was a vision of Dr Fergus Mitchell, with the first services in 1971 being three nursing rounds - Brighton/Richmond (Sr. Gunn), Dunalley (Sr. Bull) and Sorell (Sr. Campbell). South Eastern Community Care remains a community based not-for-profit organisation overseen by a volunteer board delivering in-home supports to 1400 people at any given time in southern Tasmania.

Quality Community Care

TABLE OF CONTENTS

BOARD MEMBERS

BOARD MEMBERS	MEETINGS
President	
Lois Green, OAM	12/12
Vice President/ Treasurer	
Kerry Vincent	11/12
Public Officer	
Janice McConnon	11/12
General Board Members	
Geoff Clow	9/12
Ross Copping	9/12
Geoff Reynolds	12/12
Gary Richardson	12/12
Sue Windsor *Resigned July 2022*	7/10

PRESIDENT REPORT

Welcome to the 2021/22 AGM, our 52nd AGM. We are pleased to be able to hold a celebratory afternoon tea to celebrate our half century of business and serving the community.

COVID-19 has continued to affect operations for South Eastern Community Care, with further details in the CEO report. Our Home Care Package program continues to provide an important service to the community and now represents approximately 30% of our annual revenue.

NDIS programs have grown to be the largest single source of income for South Eastern Community Care. The participants access in-home supports as well as opportunities for social inclusion through one on one supports and group programs. We deliver supports to people with Disability from the age of seven years through to older adults.

Our group Programs are well attended and back to full operations. Changes have been made to make groups COVID-safe. Our groups meet at Sorell, Campania, Orford as well as weekend outings at various locations. Staff work across all locations and we have programs for aged and for disability clients. Clients and staff together are involved in the planning of the programs, an innovation which enables client/participant choice and control over their social programs

The Board of Management (BOM) and Executive Management have been considering and planning for changes to the Commonwealth Home Support programs (CHSP) which were expected in 2023. 2021/22 was the last year of block funding for this program, and in the future we will be receiving monthly payments in arrears. The larger changes expected in 2023 have been delayed until 2024 at this stage.

The BOM has been able to meet in person throughout this financial year, although we now have the flexibility of virtual meetings if required, which has potential to facilitate for greater participation. I would like to thank the Board for their work during the year and continued support. I acknowledge the service of Sue Windsor, who joined the Board of Management in June 2015. Sue was the inaugural Chair of our Clinical Governance sub-committee, but regrettably resigned from the Board at the July 2022 meeting. I thank Sue for her input to the Board and to the Clinical Governance sub-committee and wish her well in the future.

I acknowledge, with sadness, the death of Mary Lazenby in 2022. Mary was a past Executive Officer, Board member and President of the Board in 2002. In the early days of the Association Mary set up an office in her home as we did not have an established office of our own. Mary remained a strong supporter of South Eastern Community Care after her retirement, still attending AGMS into her late eighties.

Quality Community Care

I would like to thank Helen Pollard, the CEO, for guiding South Eastern Community Care through challenging times and continuing to lead South Eastern Community Care towards the next stages of our development. I would also like to thank all of our Staff, who are in people's homes delivering face to face, personalised services to all our clients/participants throughout the year.

E Lois Green OAM
President

CEO REPORT

This report forms part of our 2021/22 Annual report, presented to the fifty-second Annual General meeting of South Eastern Community Care.

I am pleased to report a surplus for the Financial Year, made up of operating surplus as well as re-evaluation of assets. Regaining traction with client numbers post COVID restrictions has been slow, with service hours presenting challenges for us to maintain.

Home Care Package numbers are stable and we have experienced minimal movement in our Packages program. We have introduced a relief coordinator with nursing experience, as well as introducing a Manager who is a Registered Nurse. We believe the increased clinical oversight of Packages and indeed all programs is important as client/participant needs are becoming more complex. In addition, there is an expectation of organisations to proactively manage clinical needs and make decisions within a clinical framework.

Commonwealth Home Support Programs (CHSP) have in the past been paid in four payments (in advance) over the course of a Financial year. As of July 2022 CHSP funds will be paid monthly in arrears . Further to this, in 2024 (delayed from 2023) the CHSP program will be invoiced by our Organisation monthly for services delivered and paid only as invoiced. We are yet to be informed how this will work in practice

Our NDIS Programs are now well established. Over the past twelve months we have targeted improving our assessment and planning processes and associated documentation. Our senior staff have commenced meeting with the NDIS Commission on a regular basis so that we are aware of the expectations of the Commission, can discuss in an open and transparent way the challenges we face in service delivery and use the knowledge of Commission staff in assisting with problem solving. We also take part in peak body meetings and training where this is of benefit to our staff.

We have seen changes in the way we operate related to COVID 19 with various mandates affecting our service delivery and our workforce. All staff had the mandated first two COVID vaccines and booster during the required period. Once mandates were removed, as an organisation we have needed to do our own risk assessment in relation to our operations. Our updated COVID-Safe workplace manual is now a permanent feature of our workplace and is updated annually or as required.

South Eastern Community Care aims to be an employee-friendly workplace and to address workplace issues where they have potential for a negative impact on our workers physical and emotional health. Over the past two years we have seen community workers struggle with COVID impacts, and then more recently significant financial pressures on everyone with

Quality Community Care

rising costs of living. We repeated a 2021 Psychological Risk Survey, and have reviewed the results to determine the effectiveness of a range of strategies implemented by the Executive Management after the 2021 survey. Whilst we have seen some measurable improvement, the workforce continue to report some aspects of roles within the Organisation are more difficult than others and there is an emotional toll on those working in our Industry. Our executive continue to review and develop various strategies aimed at supporting the overall workforce and improving communications within the workplace.

I would like to thank the Board of Management for their support of myself and our senior staff. I also wish to thank all of our staff and volunteers for their ongoing work to ensure South Eastern Community Care continues to provide excellent services to around fifteen hundred clients / participants at any given time across southern Tasmania.

Helen Pollard
Chief Executive Officer

LENGTH OF SERVICE

As a local employer and service provider we enjoy the support of many people in so many ways. South Eastern Community Care acknowledge that our staff are one of our main assets and provide many hours of care and support within our local communities.

We recognise staff who have reached or passed significant milestones in years of service during the period July 2021 to June 2022.

Congratulations and thankyou.

Special Mention
Margaret Horsey
In 2022, a much loved Community Worker, Margaret Horsey retired after 37 ½ years at South Eastern Community Care. Our Board, Managers and staff wish Margaret the very best in her well-earned retirement.

15 YEARS

Christine Hutchinson
Aged Care Coordinator
Carolyn Green
Community Worker
Juliane Pedler
Enrolled Nurse, Foot Clinic
Dianne Imber
Community Worker

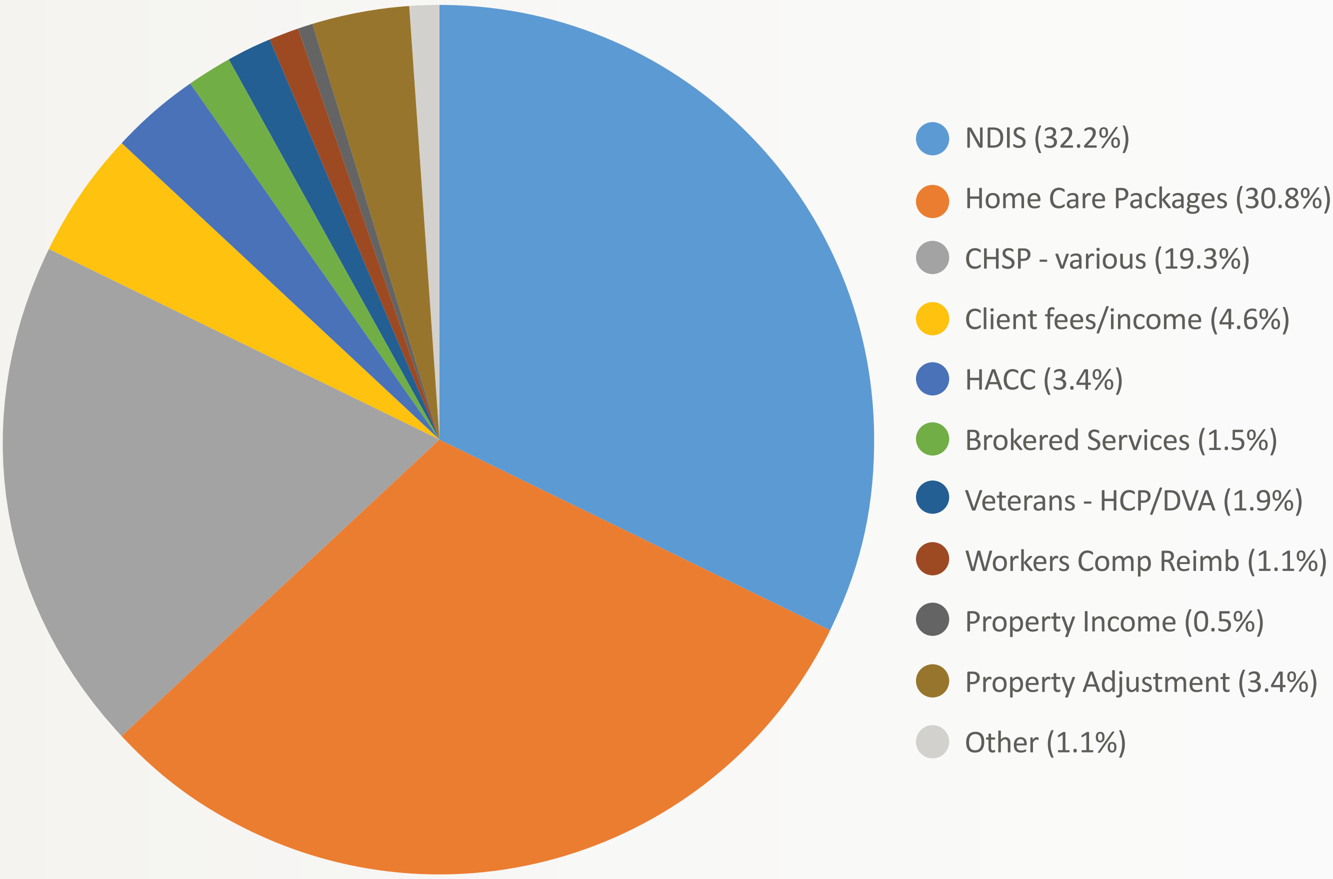
10 YEARS

Martina Pergande
Community Worker
Nicole Cranfield
Registered Nurse
Robin Ramm
Registered Nurse

WHERE DOES OUR FUNDING COME FROM?

South Eastern Community Care is a not for profit, with Charitable status. The bulk of our income is through Government grants-Commonwealth and/or State. Our Audited Financial Statements form an important part of this Annual Report.

Below is a breakdown of our income by type.



CONSUMER ADVISORY COMMITTEE

In November 2021 we held our inaugural Consumer Advisory Committee meeting, with six volunteers from our client/participant/family community. The Consumer Advisory Committee is chaired by Lois Green- the President of South Eastern Community Care's Board.

The Consumer Advisory Committee has reviewed and approved a Consumer Engagement Plan, Position Descriptions for committee members, advised on format of client newsletter, wording of survey questions, and provide their own feedback where it has relevance to the wider SEC Care community.

We are proud to have established this important group and to have the support of a number of people who are contributing to our processes and facilitate a consumer voice in decision as they are made by the Board and Executive Managers of the Organisation.

GROUP PROGRAMS

Our Social Programs are vibrant and well attended, with some changes to make group settings COVID-safe.

We recruited a New Social Programs Manager- Margie Siggers- who is revitalising the programs and working with the team to update activities, programs and supporting documentation.

Staff and clients alike enjoy the interactions and activities. During the year there were trips to Bonorong, High Tea, various hotels for fun-filled lunches. We had informative discussions around Fire Safety, Men's Health, and celebrated NAIDOC week. And much more in our action-packed calendar!

DISABILITY PROGRAMS

NDIS programs are now well established with close to 150 participants at any one time.

During 2021/22 and continuing into the next year we are focussing on Assessments and risk mitigation for participants.

Throughout the year we have seen changes in staffing within the Disability Team. We deliver light touch though to more complex in-home supports, including seven day services with two staff at a time where needed. We have supported participants to access equipment, to find social activities and to undertake activities which improve quality of life.

AGED CARE PROGRAMS

South Eastern Community Care deliver Aged Care programs through Home Care Packages, as well as Commonwealth Home Support.

Package unspent funds are now held by the Commonwealth Government rather than us as the Provider. Claims for services delivered are submitted monthly for payment to South Eastern Community Care.

2021/22 was the last year for CHSP of 'block funding' – funds for the year given in four amounts over the year, and in advance. As of June 2022 CHSP funding will be given monthly and in arrears.

Our CHSP delivery targets have not been entirely met- in part due to a reduction experienced during COVID which has not entirely recovered. In addition we are experiencing some difficulty in employing enough staff to deliver services, coupled with an ongoing higher then pre-COVID absenteeism of employees. Work with local employment hubs has been reasonably successful in the latter part of 2021/2022 and has helped in attracting staff from Sorell as well as other locations where we deliver services.

Our Vision

To be a leading service provider. Helping our communities enjoy the life they want to live.

SOUTH EASTERN COMMUNITY CARE


CELEBRATE
Diversity

STATEMENT BY MEMBERS OF THE BOARD

The Board members submit the financial report of the Association for the financial year ended 30 June 2022.

1. General information

Principal activities

The principal activities of the Association during the financial year were those of an approved care provider for aged care and NDIS.

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The surplus of the Association for the financial year amounted to 313,463 (2021: $375,897).

Signed in accordance with a resolution of the Members of the Board:

L. Green

Lois Green
Board Member
Dated this 26th day of September 2022

Kerry Vincent
Board Member
Dated this 26th day of September 2022

Board Declaration - per section 60.15 of the Australian Charities and Nor-for-profits Commission Regulation 2013

The Board declare that in Board's opinion:

- there are reasonable grounds to believe that the South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care) 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 (Cth).

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Signed in accordance with a resolution of the Board:

L. Green

Lois Green
Board Member
Dated this 26th day of September 2022

Kerry Vincent
Board Member
Dated this 26th day of September 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2022

	Note	2022 $	2021 $
Income	2		
Revenue from customer contracts		11,279,899	10,743,023
Other revenue		588,135	367,871
Total income		**11,868,034**	**11,110,894**
Less: expenses			
Business services		335,115	272,558
Care services		513,884	341,637
Catering expenses		121,176	197,150
Cleaning, maintenance and contractor expenses		548,130	571,578
Depreciation and amortisation		125,243	103,625
Employee benefits expense		9,331,058	8,885,565
Utilities expenses		48,577	55,325
Impairment loss		160,805	-
IT expenses		168,332	165,724
Motor vehicle expenses		51,762	36,827
Operating expenses		489	2,508
Resident share of capital appreciation		150,000	102,500
Total expenses		**11,554,571**	**10,734,997**
Net surplus for the year		**313,463**	**375,897**
Other comprehensive income			
Revaluation increment		139,081	14,912
Total comprehensive income		**452,544**	**390,809**

The accompanying notes form part of this financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,418,405	1,447,845
Trade and other receivables	4	1,660,760	1,543,789
TOTAL CURRENT ASSETS		3,079,165	2,991,634
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,690,695	1,561,802
Investment property	6	1,920,000	1,620,000
Right of use assets	7	6,432	21,203
TOTAL NON-CURRENT ASSETS		**3,617,127**	**3,203,005**
TOTAL ASSETS		**6,696,292**	**6,194,639**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,369,262	1,507,152
Leasehold deposits	11	1,475,836	1,374,611
Employee benefits	10	1,139,921	1,061,098
ILU capital gain liability		190,000	102,500
Lease liability	8	4,284	13,263
TOTAL CURRENT LIABILITIES		**4,179,303**	**4,058,624**
NON-CURRENT LIABILITIES			
Employee benefits	10	53,650	124,872
Lease liability	8	4,119	4,467
TOTAL NON-CURRENT LIABILITIES		**57,769**	**129,339**
TOTAL LIABILITIES		**4,237,072**	**4,187,963**
NET ASSETS		**2,459,220**	**2,006,676**
EQUITY			
Accumulated surpluses		2,305,227	1,991,764
Asset revaluation reserve	12	153,993	14,912
TOTAL EQUITY		**2,459,220**	**2,006,676**

The accompanying notes form part of this financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2022

	Accumulated Surpluses $	Asset Revaluation Reserve $	Total $
2022			
Balance at 1 July 2021	**1,991,764**	**14,912**	**2,006,676**
Net surplus/(deficit) for the year	313,463	-	313,463
Revaluation increment (decrement)	-	139,081	139,081
Balance at 30 June 2022	**2,305,227**	**153,993**	**2,459,220**
2021			
Balance at 1 July 2020	**1,615,867**	**-**	**1,615,867**
Net surplus/(deficit) for the year	375,897	-	375,897
Revaluation increment (decrement)	-	14,912	14,912
Balance at 30 June 2021	**1,991,764**	**14,912**	**2,006,676**

The accompanying notes form part of this financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2022

	Note	2022 $	2021 $
CASH FROM OPERATING ACTIVITIES:			
Receipts from operations		2,400,542	1,185,962
Receipts from government		9,560,407	8,809,069
Payments to suppliers and employees		(12,039,671)	(10,495,970)
Interest received		40,466	39,594
Net cash used by operating activities	13	(38,256)	(461,345)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of assets		41,818	30,809
Purchase of property, plant and equipment		(124,901)	(258,750)
Net cash used by investing activities		(83,083)	(227,941)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Leasehold deposits received		480,000	686,653
Repayment of lease liability		(9,327)	(18,158)
Leasehold deposit payments		(378,774)	-
Net cash provided by financing activities		91,899	668,495
Net cash decreases in cash and cash equivalents		(29,440)	(20,791)
Cash and cash equivalents at beginning of year		1,447,845	1,468,636
Cash and cash equivalents at end of financial year	3	1,418,405	1,447,845

The accompanying notes form part of this financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

This financial report covers South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care) is an Association incorporated in Tasmania.

Note 1

Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit* and *Not-for- Profit Tier 2 Entities and the Australian Charities and Notforprofits Commission Act 2012 (Cth).*

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Comparative Figures

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

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings under liabilities on the statement of financial position.

(c) Trade and Other Receivables

The Association provides an allowance for losses on trade receivables based on a review of the current status of existing receivables and management's evaluation of periodic ageing of accounts.

(d) Property, Plant and Equipment

Plant and equipment is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

d) Property, Plant and Equipment (continued)

Freehold land and buildings are shown at independent valuation undertaken in 2022 as valued by Herron Todd White. In the current environment with the uncertainty around valuations, interest rates, and other factors surrounding property, valuations of property may change significantly and unexpectedly over a relatively short period of time. Given this uncertainty noted, in determining property values, the valuer has taken into account only factors and conditions that were present at the date of valuation and not factors that have occurred since that date.

Carrying amount

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Fixed assets constructed

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Capital Works

All costs of a capital nature are to be capitalised if they increase the building's value. Costs of the project are to be classified as work in progress until the project has been completed. Upon completion, the asset is to be reclassified and depreciated at an appropriate rate. Any diminution of an asset is to be written off to the statement of comprehensive income.

Depreciation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

Depreciation rates

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

Class of Fixed Asset	**Depreciation Rate**
Buildings	2.5%
Plant and equipment	10-25%
Motor vehicles	12.5%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated surpluses.

Investment property

The land and building associated with the retirement village owned and operated by the Association have been classified as investment properties under AASB140.

Investment properties are held to generate long-term rental yields and capital growth. Investment properties are carried at fair value. Changes to fair value are recorded in the statement of comprehensive income.

(e) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

Classification of retirement village buildings

The buildings associated with the retirement villages owned and operated by the Association have been classified as investment properties under AASB 140.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

(f) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(g) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association 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 Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association 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 Association's financial assets measured at amortised cost comprise Cash and cash equivalents, term deposits and trade and other receivables 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

Fair value through profit and loss

There are no financial assets measured at fair value through profit and loss.

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

Fair value through other comprehensive income

There are no financial instruments classified at fair value through other comprehensive income.

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
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association 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 Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

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

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 Association 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

Financial liabilities

The Association 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 Association comprise trade payables, leasehold deposits, ILU capital gain liability and lease liability.

(h) Trade and other payables

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

(i) Employee Benefits

Provision is made for the Association'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year 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. Those cashflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cashflows.

(j) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions - Independent Living Units (ILU) capital gain liability

The Association has recognised there is a future cost to the Association when current residents depart from their independent living unit. The provision recognises the resident's portion of any future capital gain or loss on movement in the value of the retirement village leases. The portion of gain entitlement varies from contract to contract. The resident's portion is 50% of any future capital gain or loss. The Association has used current valuations and selling prices to determine the liability as at financial year end. This liability is reviewed annually based on the best available information at financial year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

(k) Leasehold Deposits

Leasehold Deposits represent the amount payable to a resident on termination of the resident's occupation rights to an independent living unit in a retirement village. The liability is measured as the principal amount less accrued retention amounts.

Consistent with the current interpretation by the accounting profession, there is not an unconditional right to defer the settlement of these amounts; therefore the full value of Leasehold Deposits is recorded as a current liability of the Association. In practice historical trends of the industry suggest that it is not probable that the full value of these funds will be repaid over the next 12 month period.

Deferred management fees are not settled in cash until such time as the resident departs, accordingly a deferred management fee receivable is recognised on the statement of financial position. In accordance with the retirement village residency agreement, the Association has a legally enforceable right to set off the deferred management fee receivable with the resident Leasehold Deposits. In practice the settlement of the asset and liability occur simultaneously. Accordingly, the asset and liability are offset and the net amount presented in the statement of financial position as a (net) resident Leasehold Deposits liability. There is no credit risk because there is a legal right to set off against the resident Leasehold Deposits owing. No impairment is recognised for these amounts.

(l) Leases

Association as a lessee

At lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised. Finance leases are recognised at an amount equal to the present value of the minimum lease payments determine at the inception of the lease or initial recognition in the case of first time application of AASB 16 Leases.

The right-of-use asset using the cost model where cost on initial recognition comprises; the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease.

The Association 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.

Association as a lessor

The Association accounts for independent living units as lessor under AASB 16 Leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

(m)Revenue and Other Income

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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 Association 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 Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other revenue - Under AASB 1058

Other revenue falls within the scope of AASB 1058 Income for Not-for-profit Entities. Assets arising from revenue in scope of AASB 1058 (i.e agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Association at significantly below its fair value. The Association then 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 difference between the recorded assets and liability.

(n)Income Tax

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

(o) Goods and Services Tax (GST)

Revenues, expenses, assets, and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed within operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

(p) Adoption of New and Revised Accounting Standards

New and revised standards and interpretations that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2022 reporting period. These include:

AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (effective for the year ending 30 June 2022

The amendments listed above did not have any impact on the amounts recognised in the current or prior periods but may affect future periods.

New standards, amendments and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Association. These include:

AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current (effective for the year ending 30 June 2023)

The Association has not yet assessed the specific financial reporting impacts of these standards.

(q) Critical Accounting Estimates and Judgments

The Board 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 judgments made have been described below.Input additional text here.

Key estimates - Impairment

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

Key estimates - fair value of land, buildings, and investment property

In the current environment with the uncertainty around valuations, interest rates, and other factors surrounding property, valuations of property may change significantly and unexpectedly over a relatively short period of time. Given this uncertainty noted, in determining the property values, the valuer has taken into account only factors and conditions that were present at the date of valuation and not factors that have occurred since this date. The estimates and judgements are based on the best available information at the time of preparing the valuers report, however, as additional information is known then the actual result may differ from the estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

Key estimates - estimation of useful lives of assets
The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key judgments - long service leave
The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates include probabilities of reaching future entitlements have been taken into account.

Key estimates - revenue recognition - long term contracts
The Association undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

Key Judgement - Right of use Asset Lease Term
The Association determines the lease term as the non-cancellable period of a lease, this covers option to extend the lease if the Association is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Association is reasonably certain not to exercise that option. In assessing whether an Association is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Association has considered all relevant facts and circumstances that create an economic incentive for the Association.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

	Note	2022 $	2021 $
Note 2			
Income			
(a) Revenue from customer contracts			
Revenue recognised at a point in time			
- Client income		760,099	907,665
- COVID-19 Government assistance		-	100,000
- Grant and other subsidies		6,045,254	5,486,500
- HACC state funds		414,400	397,946
- NDIS funding		4,060,146	3,850,912
		11,279,899	10,743,023
(b) Other income			
Other income			
- Fair value adjustment		300,000	212,162
- Interest		40,466	39,594
- Other Income		247,669	116,115
		588,135	367,871
Note 3			
Cash and Cash Equivalents			
Cash on hand		2,052	537
Cash at bank		1,416,353	1,447,308
		1,418,405	1,447,845
Note 4			
Trade and Other Receivables			
Trade receivables		1,524,091	562,078
Less: Provision for impairment		(160,805)	-
Net trade receivables		1,363,286	562,078
Accrued revenue		280,068	858,958
GST receivable		17,398	122,753
Other receivables		8	-
		1,660,760	1,543,789

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

	2022 $	2021 $
Note 4		
Trade and Other Receivables (continued)		
(a) Impairment of receivables		
Reconciliation of changes in the provision for impairment of receivables is as follows:		
Balance at beginning of the year	-	-
Additional impairment loss recognised	160,805	-
	160,805	-
(b) Aged analysis		
The ageing analysis of trade receivables is as follows:		
0-30 days	416,475	51,570
31-60 days	97,648	59,484
+60 days (past due not impaired)	849,163	451,024
+60 days (considered impaired)	160,805	-
	1,524,091	562,078

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.

	2022 $	2021 $
Note 5		
Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land		
At valuation	472,706	403,526
Total land	472,706	403,526
Buildings		
At valuation	877,294	826,474
Accumulated depreciation	-	-
Total buildings	**877,294**	**826,474**
Total land and buildings	**1,350,000**	**1,230,000**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

	2022 $	2021 $
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	485,806	461,477
Accumulated depreciation	(335,114)	(286,278)
Total plant and equipment	150,692	175,199
Motor vehicles		
At cost	289,453	279,110
Accumulated depreciation	(99,450)	(122,507)
Total motor vehicles	**190,003**	**156,603**
Total plant and equipment	**340,695**	**331,802**
Total property, plant and equipment	**1,690,695**	**1,561,802**

(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 $	Total
Year ended 30 June 2022					
Balance at the beginning of year	403,526	826,474	175,199	156,603	1,561,802
Additions	-	3,876	31,468	89,557	124,901
Revaluation increment/decrement	69,180	69,901	-	-	139,081
Disposals	-	-	-	(14,916)	(14,916)
Depreciation expense	-	(22,957)	(55,975)	(41,241)	(120,173)
Balance at the end of the year	**472,706**	**877,294**	**150,692**	**190,003**	**1,690,695**
Year ended 30 June 2021					
Balance at the beginning of year	650,000	536,175	111,017	119,076	1,416,268
Additions	-	45,240	107,801	73,334	226,375
Revaluation increment/decrement	(246,474)	257,679	-	3,707	14,912
Disposals	-	-	-	(8,329)	(8,329)
Depreciation expense	-	(12,620)	(43,619)	(31,185)	(87,424)
Balance at the end of the year	**403,526**	**826,474**	**175,199**	**156,603**	**1,561,802**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

	2022 $	2021 $
Note 6		
Investment Properties		
At fair value		
Investment property	1,920,000	1,620,000
	1,920,000	1,620,000
(a) Movements in carrying amounts of investment properties		
At fair value		
Balance at beginning of year	1,620,000	1,375,462
Additions	-	32,377
Revaluation	300,000	212,161
Balance at end of year	**1,920,000**	**1,620,000**

	2022 $	2021 $
Note 7		
Right of use assets		
Photocopier		
At cost	16,986	16,986
Accumulated amortisation and impairment	(10,554)	(3,760)
Net carrying value	**6,432**	**13,226**
Folder machine		
Cost	-	27,914
Accumulated amortisation and impairment	-	(20,677)
Net carrying value	**-**	**7,237**
Coffee machine		
Cost	-	5,670
Accumulated amortisation and impairment	-	(4,930)
Net carrying value	**-**	**740**
	6,432	21,20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

(a) Movements in carry amounts of intangible assets

	Photocopier $	Folder Machine $	Coffee Machine $	Total $
Year ended 30 June 2022				
Balance at the beginning of the year	13,226	7,237	740	21,203
Amortisation	(6,794)	(7,237)	(740)	(14,771)
Revaluation increase/(decrease)	-	-	-	-
Closing value at 30 June 2022	**6,432**	**-**	**-**	**6,432**
Year ended 30 June 2021				
Balance at the beginning of the year	21,316	17,576	3,205	42,097
Amortisation	(3,397)	(10,339)	(2,465)	(16,201)
Revaluation increase/(decrease)	(4,693)	-	-	(4,693)
Closing value at 30 June 2021	**13,226**	**7,237**	**740**	**21,203**

	2022 $	**2021 $**
Note 8		
Lease Liabilities		
Current	4,284	13,263
Non-current	4,119	4,467
	8,403	17,730
(a) Maturity analysis of lease payments		
Not later than 1 year	4,284	13,263
1-5 years	4,119	4,467
Later than 5 years	-	-
	8,403	**17,730**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

	2022 $	2021 $
Note 9		
Trade and Other Payables		
Accrued salaries & allowances	79,386	73,820
Credit card	(2,925)	6,078
Due to customers for contract work	(9,495)	45,078
HCP unspent funds	517,218	749,292
Other creditors	95,830	245,507
Unspent grant	689,248	387,377
	1,369,262	1,507,152

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

	2022 $	2021 $
Note 10		
Employee Benefits		
Current		
Annual leave	706,100	688,018
Long service leave	433,821	373,080
Total current employee benefits	**1,139,921**	**1,061,098**
Non-current		
Long service leave	53,650	124,872
Total non-current employee benefits	**53,650**	**124,872**
	1,193,571	**1,185,970**
(a) Movements in carrying amount of employee benefits		
Balance at beginning of year	1,185,970	993,975
Leave accrued	18,082	191,995
Leave taken	(10,481)	-
Balance at end of year	1,193,571	1,185,970

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

	2022 $	2021 $
Note 11		
Leasehold deposits		
(a) Movements in carrying amount of leasehold deposits		
Balance at beginning of year	1,374,610	726,958
Additional deposits	480,000	685,000
Deposit refunds	337,867)	-
Retention	(40,907)	(37,347)
Balance at end of year	1,475,836	1,374,611

Note 12

Reserves

The asset revaluation reserve arises on the revaluation of land and buildings. Where a revalued asset is sold, that portion of the asset revaluation reserve, which relates to that asset, and is effectively realised, is transferred directly to accumulated surpluses.

	2022 $	2021 $
Note 13		
Cash Flow Information		
Reconciliation of Cash Flow from Operations with Surplus		
Net surplus/(deficit) for the year	313,463	375,897
Adjustments:		
- Retentions	40,907)	(39,000)
- Depreciation and amortisation	134,944	103,625
- Interest - leased assets	488	1,506
- Gain/(loss) on disposal	(31,165)	(22,482)
- Fair value movement on ILU	(300,000)	(212,162)
- Impairment loss of receivables	160,805	-
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(277,777)	(1,274,298)
- Increase/(decrease) in trade and other payables	(93,209)	311,074
- Increase/(decrease) in employee benefits	7,602	191,995
- Increase/(decrease) in ILU capital gain liability	87,500	102,500
Cashflow from operations	(38,256)	(461,345)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

Note 14

Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and resident liabilities.

The totals for each category of financial instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 $	2021 $
Financial Assets			
Cash and cash equivalents	3	1,418,405	1,447,845
Trade and other receivables	4	1,660,760	1,543,789
Total Financial Assets		**3,079,165**	**2,991,634**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	1,369,262	1,507,152
Leasehold deposits		1,475,836	1,374,611
Lease liability		8,403	17,730
Total Financial Liabilities		2,853,501	2,899,493

Treasury Risk Management

The Finance Sub Committee of the Association meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

Financial Risk Management Policies

The Association's Board are responsible for, among other issues, monitoring, managing financial risk exposures of the Association. The Board monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held regularly.

The main risks the Association is exposed to through its financial instruments are interest rate risk and liquidity risk.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments.

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate underutilised borrowing facilities are maintained.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Association.

The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Board.

(c) Price Risk

The Association is not exposed to commodity price risk.

(d) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows of the fair value of fixed rate financial instruments. The Association is also exposed to earnings volatility on floating rate instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

(d) Interest Rate Risk (continued)

(i) Financial instrument composition and maturity analysis

The Association's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, is as follows:

	Maturing Year within 1		Non-interest Bearing		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Financial Assets:						
Cash and cash equivalents	1,418,405	1,447,845	-	-	1,418,405	1,447,845
Trade and other receivables	-	-	1,660,760	1,543,789	1,660,760	1,543,789
Total Financial Assets	**1,418,405**	**1,447,845**	**1,660,760**	**1,543,789**	**3,079,165**	**2,991,634**
Financial Liabilities:						
Trade and other payables	-	-	1,369,262	1,507,152	1,369,262	1,507,152
Leasehold deposits	-	-	1,475,836	1,374,611	1,475,836	1,374,611
Lease liability	-	-	8,403	17,730	8,403	17,730
Total Financial Liabilities	**-**	**-**	**2,853,501**	**2,899,493**	**2,853,501**	**2,899,493**

	Note	2022 $	2021 $
Note 15			
Auditors' Remuneration			
Remuneration of the auditor Crowe Audit Australia of the Association for:			
- audit of the financial report and associated assurance services including compilation of the financial report		9,975	8,840
		9,975	8,840

The annual statutory financial report has been compiled by the auditors as an additional service and separate engagement. Appropriate safeguards to maintain independence have been implemented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2022

Note 16

Fair Value Measurement

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

- Land and buildings
- Investment properties

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Association.

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2022				
Land and buildings				
Land and buildings	-	1,350,000	-	1,350,000
Investment properties				
Investment properties	-	1,920,000	-	1,920,000
30 June 2021				
Land and buildings				
Land and buildings	-	1,230,000	-	1,230,000
Investment properties				
Investment properties	-	1,620,000	-	1,620,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022

Note 17

Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Association is $529,923 (2021: $454,790).

Note 18

Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Related parties are limited to the Board members of the Association. No transactions have occurred with the Board members for the year ended 30 June 2022 (2021: Nil).

Note 19

Contingencies

The Association has received grant funds with associated agreements whereby unexpended funds may be repayable to the funding provider in the future in the even of either cessation of the funded services or upon triggering of a repayment clause in a funding agreement.

Note 20

Capital Commitments

There are no capital commitments as at reporting date to be disclosed (2021: Nil).

Note 21

Going concern

The financial report has been prepared on the going concern basis, which contemplates the ultimate continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. In determining the appropriateness of the going concern principle the Board has considered the level of cash held by the Association as at the date of this report, the expected timing of settlement of leasehold deposits (likely >12 months), and the continued increasing demand for NDIS services, and is satisfied that the Association has sufficient resources available to meet the forward outgoings for a period of at least twelve months from the date of this report.

Note 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 Association, the results of those operations or the state of affairs of the Association in future financial years.

Note 23

Association Details

The registered office of the Association is:

South Eastern Nursing & Home Care Association Inc.

12 Somerville Street

SORELL TAS 7172

Crowe

Crowe Audit Australia
ABN 13 969 921 386
Level 1, 142-146 Elizabeth Street
Hobart TAS 7000 Australia
GPO Box 392
Hobart TAS 7001 Australia
Tel 03 6210 2525
Fax 03 6210 2524
www.crowe.com.au

South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care)

ABN 11400505189

Auditors Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*

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 independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and

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

Crowe Audit Australia.

Crowe Audit Australia

Alison Flakemore
Senior Partner

Dated this...26...day of...September...2022.

Hobart, Tasmania.

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South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care)

ABN 11400505189

Independent Audit Report to the members of South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care)

Opinion

We have audited the financial report of South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care) (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Boards' Declaration.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

- giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards - Simplified Disclosures, 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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board are responsible for the other information. The other information comprises the Board's Report 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.

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South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care)

ABN 11400505189

Independent Audit Report to the members of South Eastern Nursing & Home Care Association Inc. (Trading as South Eastern Community Care)

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 Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Association'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 Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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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 Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- Conclude on the appropriateness of the Board'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 Association'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 Association 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.

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We communicate with the Board 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 the audit.

Crowe Audit Australia
Crowe Audit Australia

Alison Flakemore
Senior Partner

Dated this...29...day of...September...2022.

Hobart, Tasmania.


PUZZLE BOOK

Our Vision

To be a leading service provider. Helping our communities enjoy the life they want to live.

SOUTH EASTERN COMMUNITY CARE

www.secommunitycare.com.au