



South Eastern Community Care  
**Annual Report**  
2013 - 2014



## **SOUTH EASTERN COMMUNITY CARE**

South Eastern Nursing & Home Care Association Inc. (trading as South Eastern Community Care) was formed in 1970 at a meeting of interested community representatives. It commenced operations in 1971 and was incorporated under the Associations Incorporation Act, 1964, in September 1975 (ARBN No. 228), (ABN 11 400 505 189)

### **Areas Serviced by South Eastern Community Care**

SECC is committed to providing a range of flexible home care services in rural and regional Tasmania, predominately in the South of Tasmania.

#### ***Vision – Our Preferred Future***

A leading service provider helping our  
Communities enjoy the life they want to live.

### **Contact Details**

57 Cole Street, Sorell, Tasmania, 7172

e-mail      mail@secommunitycare.com.au

Telephone (03) 6269 1200      Fax (03) 6269 1208

Website      www.secommunitycare.com.au

### **Donations to 'Gift Fund' are Income Tax Deductible**

The Association is a not-for-profit organisation endorsed by the Australian Taxation Office as an Income Tax Exempt Charitable Entity and a Deductible Gift Recipient.

A 'Gift Fund' is maintained for receiving donations from the public. Donations are very much appreciated and assist the Association in meeting its objectives. Amounts of \$2 and more are Income Tax Deductible.

### **Funding**

South Eastern Community Care Inc. is supported by financial assistance from the Australian Government.

## **President's Report**

2013-14 has been a very busy and interesting year for South Eastern Community Care with some important changes both within the organisation and in the wider aged care industry. In late November 2013, the Board of Management agreed to enter into a partnership agreement with the Boards of May Shaw at Swansea and Deloraine Aged Care. This agreement is known as In Whom We Trust. It is now a trend across many sectors to share resources for economies of scale between like organisations; a local example is local government municipalities. The three boards, with their respective managements, remain independent, but cooperate to obtain cost savings, for example, in insurance brokerage, computer systems, and sharing of staff positions. This gives SECC greater flexibility in our operations. The SECC Board considers this is a very important partnership that must thrive and grow in the future. The aged care industry has become very competitive; many mainland organisations have moved into Tasmania to compete with Tasmanian organisations for funding for aged care services. The Australian Government which is now the major funder of aged care, has stated it will no longer fund small organisations. Unfortunately, even though our revenue is now over \$4 million, SECC is regarded as one of these small enterprises. Therefore, to survive, SECC must enter into sharing agreements with similar rural-based associations. SECC has an excellent name in the general community and we must build on this reputation to continue to grow.

I would like to thank the Board of Management for their support and hard work this year. The Board has undertaken an organisational restructure, reviewed policies and undertaken a review of the Strategic Plan, which this year involved community representatives at a workshop with staff. Thank you to all who participated in the workshop: it was a great day. The Strategic Plan is nearing completion. Barry Curtain resigned from the Board in February 2014, after serving as President since 2010. I thank him for his contribution as a board member and as President. I thank Janice McConnon for filling the casual vacancy until the Annual General Meeting.

In March 2014, Christine Beven retired as CEO after 17 years of dedicated service to the Association. She led SECC during a period of great expansion.

Helen Pollard was appointed CEO in June 2014. She comes to us with an excellent reputation in both community and residential care. The Board thanks Cliff Partridge of Deloraine Aged Care and Julie Orr of May Shaw for respectively taking the roles of Acting CEO in Business Management and Operational while we searched for a new CEO. Cliff remains as Business Manager.

Last year we reported that SECC had purchased the former Sorell Council Chambers in Somerville Street. Plans for renovations were drawn up but, at this stage, SECC does not have the funds to redevelop the building to a standard suitable for the provision of our services. Our new computer system, Comcare, is not yet operational but staff are continuing their training and November 2014 should be the going-live date.

There are many changes coming to the provision of aged and community care services. Consumer Directed Care will be Australia-wide by July 2015. Clients will have control of a set budget under a package of care that suits their needs (there will be four levels) and they can choose the type of service they wish to have and the service provider they would like. SECC has to make sure it is the provider of choice in Southern Tasmania and beyond. HACC prices have not risen since 1986, from 1 July 2015 there will be an increase in fees and means testing will also be introduced. In addition changes to how HACC services are funded, delivered and capped will be implemented. These will be great changes for our clients and challenging for Community Care Providers to administer.

On behalf of the Board of Management, I thank the management and staff for their high work standards during the changes that are occurring in the organisation. This has seen SECC maintain its highly regarded status in the aged care sector in Tasmania.

Lois Green, OAM

President

## CHIEF EXECUTIVE OFFICER REPORT

I write this, my first report to the Association, and reflect on a very busy yet rewarding few months for me, which has capped a period of significant change at South Eastern Community Care. 1 July 2014 saw changes to Aged and Community Care and introduction of means tested fees, in addition to fees for care which are already in place. The Federal Government states “the Australian Government currently spends more than \$14 billion a year on aged care. Over 1.1 million people receive some form of aged care services each year, with three quarters of them receiving their services at home”<sup>i</sup> The stated aim of the changes is to ensure Community and Aged Care is viable and equitable into the future. Further changes will be implemented in 2015 in line with *Key Directions for the Commonwealth Home Support Programme discussion paper* 2014. For our staff and communities this means a change in the delivery of Home Care, with the Client and Provider having a two way conversation about care- rather than the Provider taking a lead in decisions around the services to be delivered. This sits well with South Eastern Community Care, as our Coordinators, Home Care Workers and Nurses work collaboratively and already, in my opinion, ensure clients are able to direct their care.

During 2013-2014 South Eastern Community Care signed a Memorandum of Understanding with two other not-for-profit community based aged care organizations: Aged Care Deloraine and May Shaw. This partnership continues to develop and we are seeing a range of savings and efficiencies as a result of sharing resources.

The computerized rostering and client scheduling program, which will serve us well as the Organization expands, is nearing final testing stages and we plan to have implemented before the end of this calendar year. We expect to improve the efficiencies of our rostering for field workers through the implementation of this system.

SECC has negotiated with Prosser House Day Respite (Orford) and now is responsible for the management of this service. We have Day Respite programs at four separate locations and the new Day Centre Manager is developing plans to improve awareness of the Day Respite centres, and ensure the programs relevant and vibrant.

Our Home Care Programs continue to support large numbers of clients across a number of geographical areas, and our Packaged Care programs are operating successfully with the Consumer Directed Care model which is now being phased in across all Packaged Care programs Nationally. Nursing services operate seven days per week and continue to be well utilized.

This year saw an operational financial loss, with some one- off events contributing to the loss. We purchased Sommerville Street premises, and had a number of long term staff retire/ leave the Organization. Some changes to our structure have been undertaken, and will continue as we review operations and what support systems need to be in place at SECC to assist those on the ground delivering care. The management team will continue to view each and every change in staff as an opportunity to review our practices and the roles within the organisation to ensure we are providing the best possible care, as efficiently and effectively as we can.

The Board, Management and many other interested people and community members have worked on the SECC Strategic Plan with a Strategic Plan for 2014 to 2020 developed. The document is now ready to distribute to those who came to community forums and to SECC staff. The document is simple, yet powerful and represents many hours of work and discussion - and reflects where we wish to be placed into the future as a leading service provider in the community.

The SECC website has had initial plans and we expect a new look website to be operational by November this year. Again I am able to report favorably the near completion of a project that has been worked on by many before my arrival at SECC.

I would like to acknowledge and thank the Board of Management, staff, volunteers and members - I have been made to feel very welcome and am looking forward to working with and for this team of dedicated people to meet the challenges and changes ahead in Aged and Community Care.

Helen Pollard

Chief Executive Officer

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<sup>i</sup> <http://www.dss.gov.au/our-responsibilities/ageing-and-aged-care/aged-care-reform/reforms-by-topic/home-care/financial-changes-to-home-care-packages>

## **LENGTH OF SERVICE**

South Eastern Community Care enjoys strong community support and has a reputation for delivering high quality care. Our Staff are dedicated, professional and are one of our main assets.

During 2014 many staff have reached or passed significant milestones in years of service and we recognise them in this report.

### **25 YEARS**

Margaret Horsey  
Roslyn Grierson  
Leona Smith

### **20 YEARS**

Sally Clark  
Judy Bishop  
Kathryn Tate

### **15 YEARS**

Shirley Castle  
Theresa Direen  
Peta Jongenelen  
Karen Peacock  
Carolyn Unsworth

### **10 YEARS**

Lucinda Castle  
Alison Cullen  
Andrew French  
Louise Haewood  
Helen Kube  
Samantha Lynch  
Kathryn Maass  
Elizabeth Mathysen  
Elizabeth Sloane

Volunteers contribute to our programs and without their support SECC would not be able to offer the wide variety of services we deliver. Volunteers who have reached length of service milestones will be celebrated during volunteer week (in the month of May).

## **BOARD OF MANAGEMENT AND DEPARTMENT MANAGERS**

### **Board of Management**

Lois Green, OAM (President)

Cliff Iles, AM, JP (Vice President)

Anthony Davis (Treasurer)

Margaret Darling (Secretary/Public Officer)

Barry Curtain (resigned February 2014)

Janice McConnon (casual vacancy)

Roger Stride, JP

Kerry Vincent

### **Chief Executive Officer**

Helen Pollard

### **Senior Staff**

Administration Manager

Melinda Foster

Clinical Nurse Manager

Louise Heawood

Day Centre Manager

Michelle Moore

Home Care Manager

Karen Peacock

Packaged Care Manager

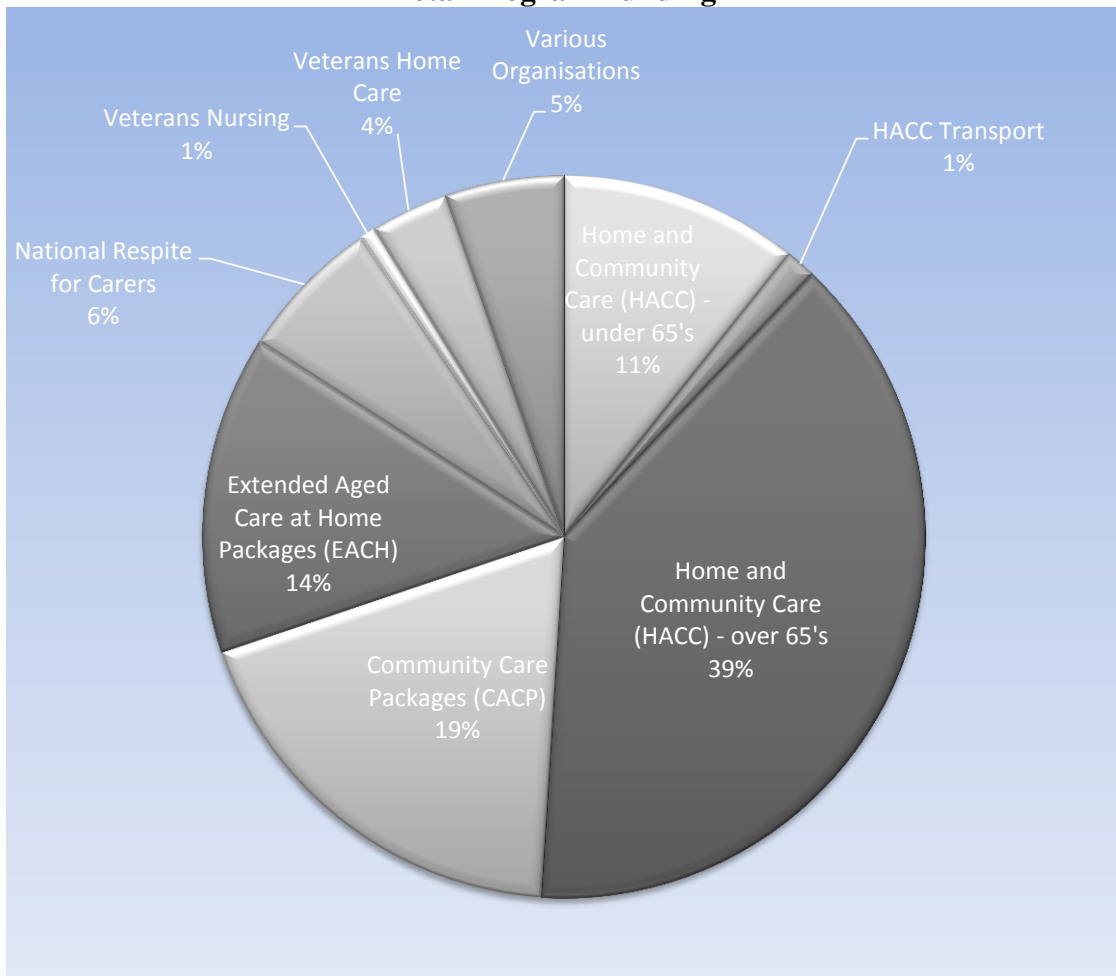
Shirley Raspin



## Summary of Direct Funding from Governments and other Organisations

Name of Program	2013-14	2012-13
<b>Department of Health &amp; Human Services</b>	\$	\$
Home and Community Care (HACC) - under 65's	426,624	427,647
HACC Transport	54,816	50,513
<b>Department of Health &amp; Ageing</b>		
Home and Community Care (HACC) - over 65's	1,552,017	1,465,944
Community Care Packages (CACP)	749,365	740,130
Extended Aged Care at Home Packages (EACH)	568,013	542,290
National Respite for Carers	257,185	127,567
<b>Department of Veterans' Affairs</b>		
Veterans Nursing	27,954	51,119
Veterans Home Care	138,375	119,335
<b>Brokered Services</b>		
Various Organisations	211,572	153,242
<b>Total</b>	<b>\$ 3,985,921</b>	<b>\$ 3,677,787</b>

**Chart showing Percentages of  
Total Program Funding**



**Total Funding  
for 2013/14 was \$3,985,921**

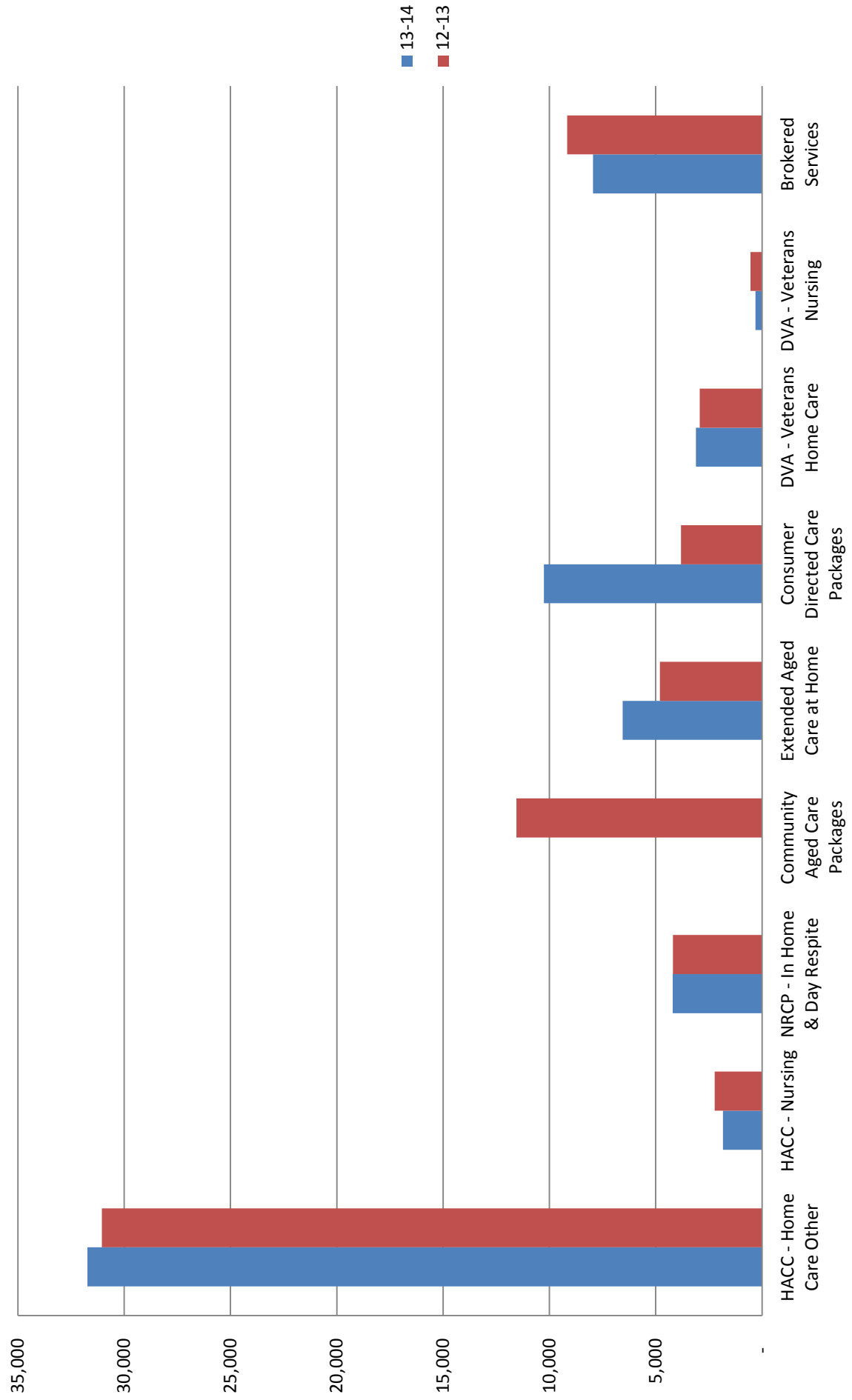
Note: the above chart excludes co-payments from clients for services they received

## SERVICE STATISTICS

The following is a comparative summary of outputs by Program and Service Type delivered to clients during 2013-14 and 2012-13 by SECC's employees, contractors and volunteers:

<b>Home &amp; Community Care</b>		<b>2013-14</b>	<b>2012-13</b>
Assessment - Nursing	hours	248	259
Assessment - Non-Nursing	hours	712	620
Client Care Coordination	hours	676	582
Domestic Assistance	hours	15032	14627
Footcare	hours	170	214
Home Maintenance	hours	199	334
Nursing - in Centre	hours	35	31
Nursing - in Home	hours	1803	2199
Personal Care	hours	4375	3639
Podiatry	hours	45	41
Respite	hours	1075	2240
Social Support	hours	2958	2327
Transport	trips	3084	3036
Meals in Centre	meals	550	915
Centre Day Care	hours	3318	3948
<b>National Respite for Carers - Day Centre</b>			
Meals in Centre	meals	550	533
Centre Day Care	hours	3189	3138
In-Home Respite	hours	459	525
<b>Community Aged Care Packages</b>			
General Support	hours		11551
Nursing	hours		2
<b>Extended Aged Care at Home Packages</b>			
General Support	hours	6285	4752
Nursing	hours	269	54
<b>Consumer Directed Care Packages</b>			
General Support	hours	10247	3519
Nursing	hours	12	290
<b>Department of Veterans' Affairs</b>			
Nursing	hours	201	291
Support Care	hours	108	252
Domestic Assistance	hours	2217	2264
Personal Care	hours	445	389
Respite	hours	414	209
Home Maintenance	hours	28	65
<b>Brokered Services</b>			
Various	hours	4458	3313
Individual Support Packages	hours	857	1281
Richmond Day Centre	hours	2640	4566

## Direct Client Contact Hours 2013-14



**SOUTH EASTERN NURSING & HOME CARE ASSOCIATION INC.**

**Trading as SOUTH EASTERN COMMUNITY CARE**

**FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2014**

The accompanying financial statements for the year ended 30 June 2014 comprising a Balance Sheet, an Income Statement, and notes thereto, have been prepared from the accounts and records of the South Eastern Nursing & Home Care Association Inc. and are in agreement with those accounts and records.

At the date of signing we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Lois Green, OAM  
PRESIDENT



Helen Pollard  
CHIEF EXECUTIVE OFFICER

25<sup>th</sup> August, 2014.

**South Eastern Nursing & Home Care Association Inc.**  
**Statement of comprehensive income**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

	Note	2014 \$	2013 \$
<b>Revenue</b>	<b>2</b>	<b>4,437,453</b>	<b>4,200,442</b>
<b>Expenses classified by Category</b>			
Salaries and Allowances		3,386,058	2,971,866
Other Employment Costs		407,196	722,912
Outsourced Client Services		119,979	106,106
Property and Occupancy Costs		40,940	40,392
Vehicle Operating Expenses		44,036	39,443
Office Equipment Costs		50,464	32,451
Computer Expenses		20,208	0
Other Equipment Costs		15,878	21,356
Supplies and Consumables		90,513	87,937
Telecommunications		23,576	22,213
Insurances		106,249	100,533
Depreciation of Assets		132,907	84,440
Other Operating Expenses		159,385	50,449
<b>Total expenses</b>		<b>4,597,391</b>	<b>4,280,098</b>
<b>Profit / (loss) for the year</b>		<b>(159,937)</b>	<b>(79,656)</b>
<b>Other comprehensive income:</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for year</b>		<b>(159,937)</b>	<b>(79,656)</b>
Total comprehensive income attributable to members of the entity		(159,937)	(79,656)

The accompanying notes form part of this financial statements.

**South Eastern Nursing & Home Care Association Inc.**  
**Statement of financial position**  
**as at 30 June, 2014**

A.B.N. 11 400 505 189

	Note	2014 \$	2013 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	717,799	1,684,690
Trade and other receivables	7	318,607	104,400
Other current assets	8	11,864	0
<b>Total current assets</b>		<b>1,048,270</b>	<b>1,789,090</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	1,313,139	583,091
<b>Total non-current assets</b>		<b>1,313,139</b>	<b>583,091</b>
<b>Total assets</b>		<b>2,361,408</b>	<b>2,372,181</b>
<b>Current liabilities</b>			
Trade and other payables	10	921,722	848,128
<b>Total current liabilities</b>		<b>921,722</b>	<b>848,128</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	320,703	245,131
<b>Total non-current liabilities</b>		<b>320,703</b>	<b>245,131</b>
<b>Total liabilities</b>		<b>1,242,424</b>	<b>1,093,259</b>
<b>Net assets</b>		<b>1,118,984</b>	<b>1,278,921</b>
<b>Equity</b>			
Retained earnings	12	1,118,984	1,278,921
<b>Total equity</b>		<b>1,118,984</b>	<b>1,278,921</b>

The accompanying notes form part of this financial statements

**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

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**Note 1 Statement of significant accounting policies**

The financial report covers South Eastern Nursing & Home Care Association Inc. as an individual entity. South Eastern Nursing & Home Care Association Inc. is an Association incorporated in Tasmania under the Association Incorporation Act 1964.

**Basis of preparation**

The Association has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July, 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Reporting Requirements of the Australian Accounting Standards Board and the Associations Incorporations Act (Tasmania) 1964.

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

**a. Income Tax**

The Association is an income tax exempt charity endorsed as a deductible gift recipient and consequently no accounting for tax expense or liabilities is necessary.

**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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**c. 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 losses.

***Property***

Freehold land and buildings are measured on the cost basis. Additions from that time have been recorded at cost.

***Plant and Equipment***

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

**Note 1 Statement of significant accounting policies (continued)**

The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount for those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

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 overhead. 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 them can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

***Depreciation***

The depreciable amount of all fixed assets excluding land are depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

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

<b><i>Class of Fixed Asset</i></b>	<b><i>Depreciation Rate</i></b>
Buildings	2 -10%
Plant and equipment	5 -20%

**d. Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at their estimated present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

**e. Revenue and other income**

Revenue is recognised upon the delivery of services to clients and consumers.

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

Donation and grant revenue is recognised when the Association receives a donation; all donations and grants are recorded as revenue. Donations or grants that are nominated for a capital purpose are transferred from retained earnings to capital grants and donations.

**f. Goods and services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.



**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

Note	2014 \$	2013 \$
<b>2 Revenue and other income</b>		
Tasmanian Government	480,322	2,065,279
Australian Government	3,361,586	1,623,507
Brokered services	211,572	170,966
Client fees - home services	226,082	190,491
Client fees - centre services	48,200	31,779
Community contributions	1,223	14,711
Interest	50,371	81,423
Other recoveries	53,803	23,649
Profit on asset sales	4,296	(1,363)
<b>Total revenue</b>	<b>4,437,453</b>	<b>4,200,442</b>

**3 Profit for the year**

The following significant expense items are relevant in explaining the financial performance:

**Expenses**

Wages and salaries	3,793,254	3,694,777
Depreciation of property, plant and equipment	132,907	84,440

**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

Note	2014 \$	2013 \$
<b>4 Key management personnel compensation</b>		
Key management personnel are limited to our Directors who provide their services on a voluntary basis. The Directors are also our only related parties. No transactions have occurred between the Association and the Directors.		
<b>5 Auditors' remuneration</b>		
Remuneration of the auditor of the Association for auditing or reviewing the financial statements	3,225	2,709
<b>6 Cash and cash equivalents - current</b>		
Cash on hand	1,050	1,400
Cash at bank	92,741	70,596
Cash on deposit	624,008	1,612,694
	<b>717,799</b>	<b>1,684,690</b>
<b>7 Trade and other receivables - current</b>		
Trade receivables	295,499	71,510
Other receivables	23,108	32,889
	<b>318,607</b>	<b>104,400</b>
<b>8 Other current assets</b>		
Prepayments	<b>11,864</b>	<b>0</b>
<b>9 Property, plant and equipment</b>		
Freehold land at cost	<b>332,500</b>	<b>0</b>
Buildings at cost	753,684	339,018
	<b>753,684</b>	<b>339,018</b>
Accumulated depreciation	(163,426)	(130,524)
	<b>590,258</b>	<b>208,494</b>

**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

Note	2014 \$	2013 \$
<b>9 Property, plant and equipment (continued)</b>		
Plant and equipment at cost	625,898	562,638
Accumulated depreciation	(235,518)	(188,041)
	<b>390,380</b>	<b>374,597</b>
<b>Total property, plant and equipment</b>	<b>1,313,139</b>	<b>583,091</b>

**a. Valuations of freehold land and buildings**

The directors' own valuation of buildings is undertaken in June each financial year primarily to ensure adequate insurance coverage. The valuations disclosed the following insurable values :

1,000,000      1,000,000

**b Movements in carrying amounts**

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

	Freehold land	Buildings	Plant and equipment	Total
Balance at the beginning of previous year	0	229,174	249,848	479,022
Additions			188,513	188,513
Disposals				0
Depreciation		(20,680)	(63,764)	(84,444)
Balance at the beginning of year	0	208,494	374,597	583,091
Additions	332,500	414,666	162,493	909,659
Disposals			(46,704)	(46,704)
Depreciation		(32,902)	(100,005)	(132,907)
Carrying amount at the end of year	332,500	590,258	390,381	1,313,139

**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

<b>Note</b>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>10 Trade and other payables - current</b>		
BAS liability	28,345	1
Other creditors	169,320	215,908
Employee benefits	385,788	504,339
Accrued salaries and wages	92,041	62,693
Grants for future services	208,824	63,894
Other sundry liabilities	37,403	1,294
	<b>921,722</b>	<b>848,128</b>
<b>Collateral pledged</b>		
No collateral has been pledged for any of the trade and other payable balances.		
Number of employees at year end	<b>92</b>	<b>80</b>
<b>11 Trade and other payables - non current</b>		
Employee benefits	320,703	245,131
	<b>320,703</b>	<b>245,131</b>

**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

<b>Note</b>	<b>Note</b>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>12 Retained earnings</b>			
Retained profits at the beginning of the financial year		1,278,921	1,358,577
Net profit attributable to the Association		(159,937)	(79,656)
Retained profits at the end of the financial year		<b>1,118,984</b>	<b>1,278,921</b>

**13 Financial risk management**

The Association's financial instruments consist mainly of deposit with banks, short-term investments, account receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to the financial statements, are as follows:

**Financial assets**

Cash and cash equivalents	6	717,799	1,684,690
Trade and other receivables	7	318,607	104,400
<b>Total financial assets</b>		<b>1,036,405</b>	<b>1,789,090</b>

**Financial liabilities**

BAS liability	10	28,345	1
Other creditors	10	169,320	215,908
Employee benefits	10	706,491	749,470
Accrued salaries and wages	10	92,041	62,693
Grants for future services	10	208,824	63,894
<b>Total financial assets</b>		<b>1,205,021</b>	<b>1,091,966</b>

**South Eastern Nursing & Home Care Association Inc.**  
**Notes to the financial statements**  
**for the year ended 30 June, 2014**

A.B.N. 11 400 505 189

Note	2014 \$	2013 \$
<b>13 Financial risk management (continued)</b>		
<b>a. Financial risk management policies</b>		
The committee members control the capital of the Association in order to maintain a good debt - to - equity ratio and to ensure that the Association can fund its operations and continue as a going concern.		
There are no externally imposed capital requirements.		
The gearing ratio at year end 30 June are as follows:		
Total borrowings	0	0
Less cash and cash equivalents	(717,799)	(1,684,690)
<b>Net debt</b>	<b>(717,799)</b>	<b>(1,684,690)</b>
<b>Total equity</b>	<b>1,118,984</b>	<b>1,278,921</b>
<b>Gearing ratio</b>	<b>-64%</b>	<b>-132%</b>

**b Credit risk**

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association; most of our receivables are settled in advance of the provision of services.

**c. Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meet its obligations. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions;

**Financial assets pledged as collateral**

No financial assets have been pledged as security for any financial liability.

**Independent auditor's report to members of South Eastern Nursing & Home Care Association Inc.**

I have audited the general purpose financial report of South Eastern Nursing & Home Care Association Inc. for the year ended 30 June 2014.

**Management Committee's Responsibility for the Financial Report**

The Management Committee is responsible for preparation and fair presentation of the general purpose financial report and information contained therein. This responsibility includes establishing and maintaining internal controls relevant to preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting amounts and other disclosures in the accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) (where applicable), and statutory requirements so as to present a view which is consistent with my understanding of the Association's financial position and the results of its operations and cash flows.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

To the best of my knowledge and belief, there has been no contravention of auditor independence and any applicable code of professional conduct in relation to the audit.

**Limitation of Scope**

It is not practicable to establish complete accounting control over all transactions processed by the Association from all of its activities. Verification therefore has been limited to the transactions recorded in the Association's financial records.

**Audit Opinion**

In my opinion, the general purpose financial report of South Eastern Nursing & Home Care Association Inc. presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the Association as at 30 June 2014 and the results of its operations for the year then ended.

MAX PECK & ASSOCIATES



Rendell W. RIDGE  
30 July 2014

