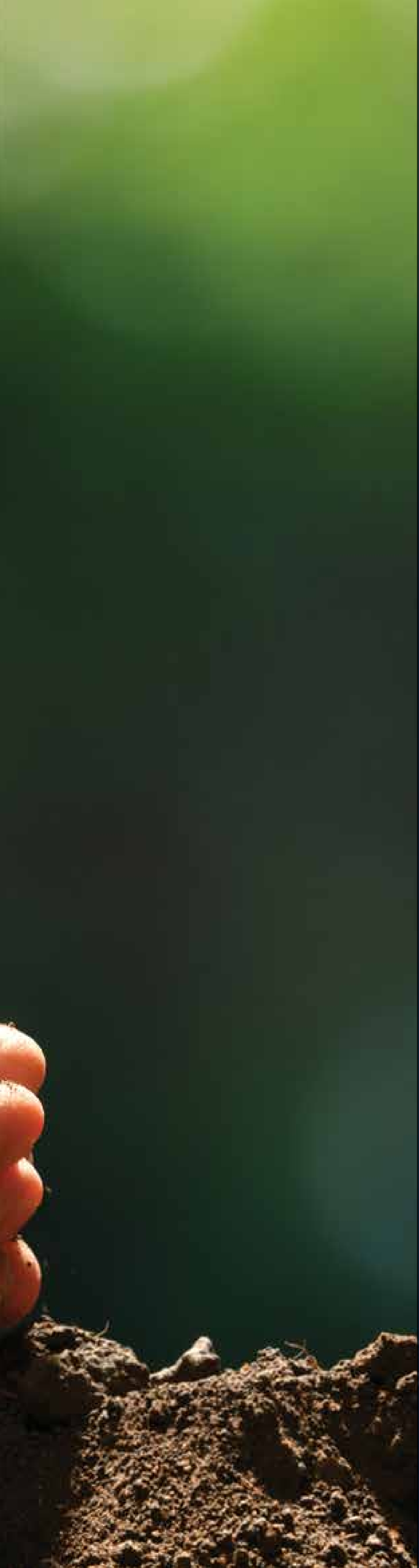
Quality Community Care

2021 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). From these humble beginnings the Organisation has grown, and in 2021 employs 177 staff delivering services to 1500 people in our community at any given time.

Quality Community Care

TABLE OF CONTENTS

BOARD MEMBERS	MEETINGS
President	
Lois Green, OAM	11/12
Vice President/ Treasurer	
Kerry Vincent	10/12
Public Officer	
Janice McConnon	10/12
General Board Members	
Geoff Clow	11/12
Sue Windsor	11/12
Geoff Reynolds	12/12
Ross Copping (Attended as guest for two meetings prior to be voted onto Board at October AGM)	Guest 2 6/8
Anthony Davis (Retired at October AGM, missed November meeting, re-elected and re-joined for December 2020 meeting)	10/11

PRESIDENT REPORT

Welcome to the 2020/21 AGM, our 51st AGM. Unfortunately we are still unable to celebrate our fiftieth year of service milestone, and we are hoping we can mark the occasion next year. COVID-19 has continued to affect operations for South Eastern Community Care, and create uncertainty in the community. However, most programs have recommenced and steadily grown due to the needs of our clients. The organisation's COVID-Safe Work Plan has been reviewed and remains in place, keeping staff , volunteers, clients and others as safe as possible.

Our Home Care Package program continues to grow, with approximately 140 clients as at 30th June 2021. As mentioned last year, funding is now paid in arrears and only for the actual services we deliver.

South Eastern Community Care had an external Audit of our NDIS operations, with the second stage review completed in April 2021. The external Auditor has recommended we be approved for a further three years as an NDIS Provider. Although we received no recommendations for improvement, we have developed an action plan, which the management team is working towards over the next twelve months.

NDIS programs continue to grow at a higher pace that our Aged Programs, and this year, by income, the NDIS income was our largest program. I would like to thank Sacha Lloyd-Timbs for her hard work and commitment as our NDIS Manager. Sacha did the groundwork to set up an extremely successful suite of programs which have continued to grow after Sacha left South Eastern Community Care in early 2021 for the next stage in her career.

Our Day Centre Programs are back and operational after closing in 2020 due to COVID restrictions. We still have lessened capacity for groups, and there is some reluctance amongst vulnerable people to participate in larger group programs. Those who do attend thoroughly enjoy a range of activities and programs at Sorell, Campania, Orford, or on weekend bus outings.

Our foot clinic has been expanding, with clinics now operating in Triabunna, Sorell and Bicheno. Work is underway to establish a clinic at Kempton. The foot clinic is operated by an Enrolled Nurse who works mainly in a clinic environment, but at times visits people in their homes.

Quality Community Care

2020/21 has again been a challenging year. The BOM has been able to meet in person throughout this financial year, with COVID precautions and declarations in place. I would like to thank the Board for their work during the year and continued support. I would like to thank Helen Pollard, the CEO, for guiding South Eastern Community Care through COVID 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 the face of the Organisation in our communities.

E Lois Green OAM
President

CEO REPORT

This report forms part of our 2020/21 Annual report, presented to the fifty-first 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. Throughout the year our income grew, but at a slower pace than we had anticipated and was affected by some disruption to services due the uncertainty created by COVID-19 in our Community. We have noticed some ongoing reluctance of people to return to group programs and we have reviewed our activities and their safety for participants and staff.

Home Care Packages, a large percentage of our income, have undergone changes over this financial year with funds for the programs now being delivered in arrears where previously we were paid for Packages care and services in advance. In the past, as a provider, we have held unspent funds for Home Care Packages which have been returned to clients/the Government when the package recipient leaves our care. The changes affect unspent funds which are now held by the Federal Government, and for all new clients we will not be holding any unspent funds at any time. This will have limited impact on cash held by the Organisation, and we have made provision for unspent funds, so we are not projecting any issue with the transition of unspent funds being held by providers to being held by the Federal Government.

Our NDIS Programs have grown and we continue to see a great need for these programs in our community. An external audit was undertaken –with stage two being completed in April 2021. The Audit is required to continue to be an approved NDIS provider. We are pleased to have received the interim report from the Auditor recommending South Eastern Community Care be approved for a further three years to deliver services through the NDIS program. While we had no recommendations for improvement- we have reviewed the report and have made an in-depth action plan which we will continue to work on to ensure we remain compliant and identify areas where we are able to continually improve what we do in the community.

This year we have seen that we are able to be more flexible with how our office-based staff work and operate. The vast majority of staff worked from home for at least some weeks during the height of COVID lockdowns in Tasmania in early 2020. While staff were pleased to return to the office setting just prior to the 2020/21 financial year, we have been pleased to be able to offer more flexibility for many roles allowing office based staff to work from home in some circumstances and for varying periods of time. Office based staff have been extremely flexible and adaptable and have maintained productivity across all programs during continuing uncertain times.

Quality Community Care

Whether it is COVID related or for other reasons, South Eastern Community Care has seen a rise in staff reporting mental health issues across all staff areas. We have completed a Psychological Risk Survey, and have implemented a range of staff support initiatives and we will be monitoring their success over the next one to two years. The Board of Management is extremely supportive of allowing myself and senior staff to introduce programs and activities which support staff, add value to our organisation's culture, and strengthen the resilience of our valuable employees.

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 south eastern 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 2020 to June 2021.

Congratulations and thankyou.

30 YEARS

Kathy Tate
Registered Nurse

15 YEARS

Audrey Bellette
Day Centre / Group Programs
Lynette Curran
Community Worker

10 YEARS

Cathy Dorling
Community Worker
Kimbra Hocking
Community Worker
Jaimie Lord
Rostering

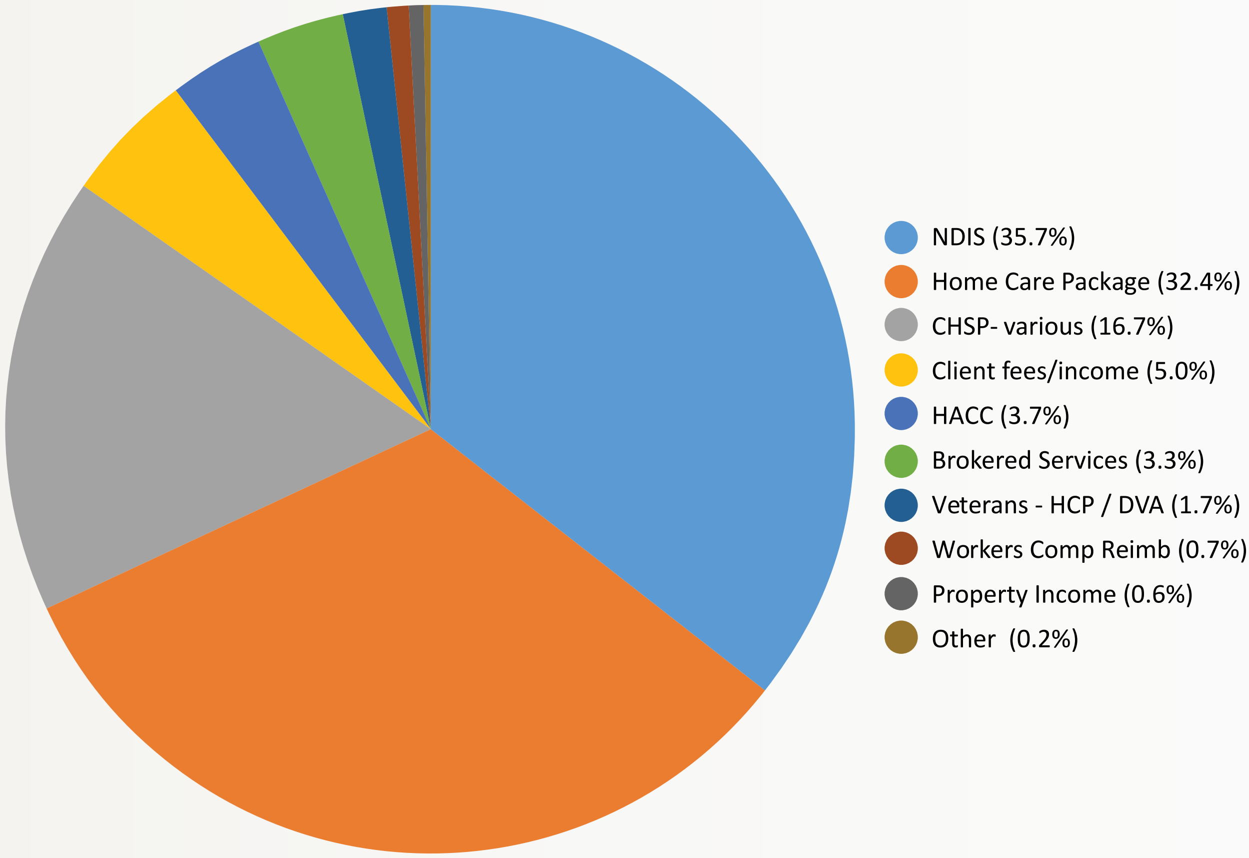
WHERE DOES OUR FUNDING COME FROM?

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.

The largest programs (by income) are Home Care Packages, NDIS and the Commonwealth Home Support Program(CHSP). Other significant programs include our Veterans Home Care, Home and Community Care (HACC- under 65 year olds).

CHSP, five years ago, represented around 75% of South Eastern Community Care's income. Now, in 2020/21 CHSP accounts for under 20% of our income. The main reasons for this are steady growth in the number of Home Care Packages we are providing, and the growth in our NDIS programs. Government Grants are generally based around paying for each hour or type of service with little margins for providers of the services. To ensure South Eastern Community Care remains viable and able to continue to support people to live their best lives, we continually monitor our programs, seeking ways to become efficient and to deliver excellent services within the budgetary constraints of the funded programs we work within.

2020/21 South Eastern Community Care Income by type



AGED CARE PROGRAMS

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

Changes to how Package funds are received have taken place in the past twelve months, with more changes to funding in the next financial year. South Eastern Community Care have ensured our processes are able to meet the requirements of these changes, and we do not envisage any change to the actual delivery of programs.

The 2020/21 Federal Budget Announcement of improved payment arrangements has been implemented with payment for Packages now being in arrears.

Further changes are being implemented in 2021/22 Financial Year, and significant alterations to Commonwealth Home Support Programs to follow in 2023.

Our Business Services team are working on cash flow projections and plans to ensure we are well placed to manage the expected changes to how these significant aged care programs are funded over the next three to five years.

DISABILITY PROGRAMS

NDIS programs continue to grow, and in 2020/21 were the largest single source of income for South Eastern Community Care.

In 2020 we had an initial audit review of our NDIS programs, policies and processes, followed by a second stage audit by an independent Auditor. We have been recommended to continue as an approved NDIS Provider by the Audits in April 2021, and we are eagerly waiting for the NDIS Commission to confirm the outcome of the Audit.

Programs funded through NDIS are flexible and individualised, and developed in partnership with Participants and/or their representative.

INDEPENDENT LIVING UNITS

All Four Independent Living Units are occupied, and over the past year we have worked with occupants to determine how various aspects of upkeep and minor maintenance will be addressed by South Eastern Community Care in an effective way. Our Maintenance Officer, Rob, has been a willing support for various improvements in the Units.

Following a twelve month period a review of the Units was undertaken by the Architect and Builder, with only a small number of minor issues identified which were all rectified by the Builder in his usual professional manner.

COVID19 PANDEMIC

Like many across Tasmania, and indeed Australia, South Eastern Community Care Managers thought we would see the worst of the Pandemic during 2020. We now see that the issues with this pandemic will take much longer than originally considered to resolve and there are many practices and restrictions that will remain with us for the foreseeable future.

In-home programs, including social supports, are operating well. Group programs have social distancing and some restrictions on numbers- depending on capacity of the venues.

South Eastern Community Care are strongly encouraging all staff to have the COVID vaccine, and keep records of who is vaccinated so as to assist take appropriate actions should an outbreak occur in our Community.

Our Vision

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

SOUTH EASTERN COMMUNITY CARE

STATEMENT BY MEMBERS OF THE BOARD

The Board members submit the financial report of the Association for the financial year ended 30 June 2021. .

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 375,897 (2020: $ 258,826).

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

Lois Green	**Anthony Davis**
Board Member	Board Member
Dated this 27th day of September 2021	Dated this 27th day of September 2021

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:

Lois Green	**Anthony Davis**
Board Member	Board Member
Dated this 27th day of September 2021	Dated this 27th day of September 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2021

	Note	2021 $	2020 $
Income			
Client income		907,665	1,000,733
Covid-19 Government assistance		100,000	-
Fair value movement of investment properties		212,162	-
Grant and other subsidies		5,486,500	5,101,360
HACC state funds		397,946	389,189
Interest		39,594	5,891
NDIS funding		3,850,912	3,004,408
Sundry		116,115	38,042
Total income		**11,110,894**	**9,539,623**
Less: expenses			
Business services		272,558	262,898
Care services		341,637	227,082
Contractors		571,578	401,993
Depreciation and amortisation		103,625	107,102
Employee benefits expense		8,885,565	7,806,421
General expenses		55,325	33,415
Hotel services		197,150	196,887
Interest expenses		2,508	15,829
IT expenses		165,724	180,060
Motor vehicle expenses		36,827	49,110
Resident share of capital appreciation		102,500	-
Total expenses		**10,734,997**	**9,280,797**
Net surplus/(deficit) for the year		**375,897**	**258,826**
Other comprehensive income			
Revaluation increment		14,912	-
Total comprehensive income		**390,809**	**258,826**

The accompanying notes form part of this financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent	2	1,447,845	1,468,636
Trade and other receivables	3	1,543,789	269,491
TOTAL CURRENT ASSETS		**2,991,634**	**1,738,127**
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,561,802	1,416,268
Investment properties	5	1,620,000	1,375,462
Intangible assets	6	21,203	42,097
TOTAL NON-CURRENT ASSETS		**3,203,005**	**2,833,827**
TOTAL ASSETS		**6,194,639**	**4,571,954**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,507,152	1,196,078
Employee benefits	8	1,061,098	928,093
ILU capital gain liability		102,500	
Leasehold deposits		1,374,611	726,958
Lease liability		13,263	21,755
TOTAL CURRENT LIABILITIES		**4,058,624**	**2,872,884**
NON-CURRENT LIABILITIES			
Employee benefits	8	124,872	65,882
Lease liability		4,467	17,321
TOTAL NON-CURRENT LIABILITIES		**129,339**	**83,203**
TOTAL LIABILITIES		**4,187,963**	**2,956,087**
NET ASSETS		**2,006,676**	**1,615,867**
EQUITY			
Accumulated surpluses		1,991,764	1,615,867
Asset revaluation reserve		14,912	-
TOTAL EQUITY		**2,006,676**	**1,615,867**

The accompanying notes form part of this financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2021

	Accumulated Surpluses $	Asset Revaluation Reserve $	Total $
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**
2020			
Balance at 1 July 2019	**1,357,041**	**-**	**1,357,041**
Net surplus/(deficit) for the year	258,826	-	258,826
Balance at 30 June 2020	1,615,867	-	1,615,867

The accompanying notes form part of this financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2021

	Note	2021 $	2020 $
CASH FROM OPERATING ACTIVITIES:			
Receipts from operations		1,185,962	400,673
Receipts from government		8,809,069	9,642,499
Payments to suppliers and employees		(10,495,970)	(8,629,652)
Interest received		39,594	5,891
Net cash provided by operating activities	9	(461,345)	1,419,411
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of assets		30,809	-
Purchase of property, plant and equipment		(258,750)	(1,435,640)
Net cash provided by/ (used by) investing activities		(227,941)	(1,435,640)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Leasehold deposits received		686,653	730,964
Repayment of lease liability		(18,158)	(21,754)
Net cash used by financing activities		668,495	709,210
Net cash increase (decreases) in cash and cash equivalents		(20,791)	692,981
Cash and cash equivalents at beginning of year		1,468,636	775,655
Cash and cash equivalents at end of financial year	2	1,447,845	1,468,636

The accompanying notes form part of this financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

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 - Reduced Disclosure Requirements and Interpretations of the Australian Accounting Standards Board. The Association is a notfor-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated

.

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 noncurrent 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

Plosses. 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, 2021

d) Property, Plant and Equipment

Freehold land and buildings are shown at independent valuation undertaken in 2021 as valued by Herron Todd White. In the current environment with the uncertainty around the impact COVID-19 is having on the valuations, interest rates, travel restrictions 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, 2021

Depreciation rates

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Fitting & other equipment	25%
Furniture	10%
IT equipment	25%
Motor vehicles	12.5%
Office equipment	10%
Plant	10%

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

Other financial assets measured at amortised cost

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

Financial liabilities

The 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 and leasehold deposits.

(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 - Licence to Occupy Contracts (Capital Refunds)

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 varies from 0% - 100% 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, 2021

(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 does not act as a lessor in any leasing arrangements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

(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, 2021

(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 2021 reporting period. These include:

- AASB 2018-6: Definition of a Business (amendments to AASB 3)
- AASB 2018-7: Definition of Material (amendments to AASB 101 and AASB 108)
- AASB 2019-1: References to the Conceptual Framework (revises the Conceptual Framework for Financial Reporting)
- AASB 2020-4: Amendments to AASs - Covid-19-Related Rent Concessions (amendments to AASB 16)

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 2021 reporting periods and have not been early adopted by the Association.

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)
- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

Key estimates - fair value of land and buildings

In the current environment with the uncertainty around the impact COVID-19 is having on the valuations, interest rates, travel restrictions 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.

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, 2021

	Note	2021 $	2020 $
Note 2			
Cash and Cash Equivalents			
Cash on hand		537	687
Cash at bank		1,447,308	1,467,949
Total cash and cash equivalents	`	1,447,845	1,468,636
Note 3			
Trade and Other Receivables			
Trade receivables	3(b)	562,078	363,516
Accrued revenue		858,958	-
GST receivable/(payable)		122,753	(94,025)
		1,543,789	269,491
(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		-	-
		-	-
(b) Aged analysis			
The ageing analysis of trade receivables is as follows:			
0-30 days		51,570	336,729
31-60 days		59,484	169,297
+60 days (past due not impaired)		451,024	(142,510)
+60 days (considered impaired)		-	-
		562,078	363,516

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	2021 $	2020 $
Note 4		
Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land		
At valuation	403,526	650,000
Total land	403,526	650,000
Buildings		
At valuation	826,474	550,000
Accumulated depreciation	-	(13,825)
Total buildings	826,474	536,175
Total land and buildings	1,230,000	1,186,175
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	461,477	357,908
Accumulated depreciation	(286,278)	(246,891)
Total plant and equipment	175,199	111,017
Motor vehicles		
At cost	273,452	273,452
Accumulated depreciation	(122,507)	(154,376)
Total motor vehicles	156,603	119,076
Total plant and equipment	331,802	230,093
Total property, plant and equipment	1,561,802	1,416,268

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

(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 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
Year ended 30 June 2020					
Balance at the beginning of year	650,000	550,000	92,891	153,351	1,446,242
Additions	-	60,089	-	-	60,089
Revaluation increment/(decrement)	-	-	-	-	
Disposals	-	-	-	-	
Depreciation expense	-	(13,825)	(41,963)	(34,275)	(90,063)
Balance at the end of the year	650,000	536,175	111,017	119,076	1,416,268

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

	Note	2021 $	2020 $
Note 5			
Investment Properties			
At fair value			
Investment property		1,620,000	1,375,462
		1,620,000	1,375,462
(a) Movement in Carrying Amounts			
At fair value			
Balance at beginning of year		1,375,462	-
Additions		32,377	1,375,462
Revaluation		212,161	-
Balance at end of year		**1,620,000**	**1,375,462**
Note 6			
Right of use assets			
Photocopier			
At cost		16,986	25,449
Accumulated depreciation		(3,760)	(4,133)
Net carrying value		**13,226**	**21,316**
Folder machine			
At cost		27,914	27,914
Accumulated depreciation		(20,677)	(10,338)
Net carrying value		**7,237**	**17,576**
Coffee machine			
At cost		5,670	5,670
Accumulated depreciation		(4,930)	(2,465)
Net carrying value		**740**	**3,205**
		21,203	42,097

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

(a) Movements in carry amounts of intangible assets

	Photocopier $	Folder Machine $	Coffee Machine $	Total $
Year ended 30 June 2021				
Balance at the beginning of year	21,316	17,576	3,205	42,097
Amortisation	(3,397)	(10,339)	(2,465)	(16,201)
Lease adjustment	(4,693)	-	-	(4,693)
Closing value at 30 June 2021	**13,226**	**7,237**	**740**	**21,203**
Year ended 30 June 2020				
Balance at the beginning of year	-	-	-	-
Amortisation	25,449	27,914	5,670	59,033
Lease adjustment	(4,133)	(10,338)	(2,465)	(16,936)
Closing value at 30 June 2021	**21,316**	**17,576**	**3,205**	**42,097**

	Note	**2021 $**	**2020 $**
Note 7			
Trade and Other Payables			
Credit card		6,078	2,029
Accrued salaries & allowances		73,820	226,245
Amounts due to customers for contract work		45,078	70,949
HCP unpent funds		749,292	596,675
Other creditors		245,507	29,230
Unspent grant		387,377	270,950
		1,507,152	1,196,078

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

	Note	2021 $	2020 $
Note 8			
Employee Benefits			
Current			
Annual leave		688,018	556,427
Provision for long service leave		373,080	371,666
		1,061,098	928,093
Non-current			
Provision of long service leave		124,872	65,882
		124,872	65,882
Note 9			
Cash Flow Information			
Reconciliation of Cash Flow from Operations with Surplus/(Deficit)			
Net surplus/(deficit) for the year		375,897	258,826
Adjustments:			
- Retentions		(39,000)	(4,006)
- Depreciation and amortisation		103,625	107,102
- Interest - leased assets		1,506	1,798
- Gain/(loss) on disposal		(22,482)	-
- Fair value movement on ILU		(212,162)	-
Changes in assets and liabilities			
- (Increase)/decrease in trade and other receivables		(1,274,298)	79,228
- Increase/(decrease) in trade and other payables		311,074	517,371
- Increase/(decrease) in employee benefits		191,995	459,092
- Increase/(decrease) in ILU capital gain liability		102,500	-
		(461,345)	1,419,411

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

Note 10

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	2021 $	2020 $
Financial Assets			
Cash and cash equivalents	2	1,447,845	1,468,636
Trade and other receivables	3	1,543,789	269,491
Total Financial Assets		**2,991,634**	**1,738,127**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	7	1,507,152	1,196,078
Leasehold deposits		1,374,611	726,958
Lease liability		17,730	39,076
Total Financial Liabilities		**2,899,493**	**1,962,112**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021

(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, 2021

Note 10

(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	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Financial Assets:						
Cash and cash equivalents	1,447,845	1,468,636	-	-	1,447,845	1,468,636
Trade and other receivables	-	-	1,543,789	269,491	1,543,789	269,491
Total Financial Assets	**1,447,845**	**1,468,636**	**1,543,789**	**269,491**	**2,991,634**	**1,738,127**
Financial Liabilities:						
Trade and other payables	-	-	1,507,152	1,196,078	1,507,152	1,196,078
Leasehold deposits	-	-	1,374,611	726,958	1,374,611	726,958
Lease liability	-	-	17,730	39,076	17,730	39,076
Total Financial Liabilities	**-**	**-**	**2,899,493**	**1,962,112**	**2,899,493**	**1,962,112**

	2021 $	**2020 $**
Note 11		
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	7,980	7,600
- other services	-	550
	7,980	8,150

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, 2021

Note 12

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 2021				
Land and buildings				
Land and buildings	-	1,230,000	-	1,230,000
Investment properties				
Investment properties	-	1,620,000	-	1,620,000
30 June 2020				
Land and buildings				
Land and buildings	-	1,186,175	-	1,186,175
Investment properties				
Investment properties	-	1,375,462	-	1,375,462

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2021

Note 13

Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Association is $454,790 (2020: $385,518).

Note 14

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 2021 (2020: Nil).

Note 15

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.

There are no other contingent liabilities or contingent assets as at reporting date to be disclosed (2020: Nil).

Note 16

Capital and Leasing Commitments

There are no capital commitments as at reporting date to be disclosed (2020: Nil).

Note 17

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020

Note 18

Events After the End of the Reporting Period

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia, and the community where the Association operates. The scale, timing and duration of the potential impacts on the Association is unknown, as are any future mitigating factors. The Board of Management continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

There are no other subsequent events as at reporting date to be disclosed or adjusted for.

Note 19

Association Details

The registered office of the Association is:
South Eastern Nursing & Home Care Association Inc.
12 Somerville Street
SORELL TAS 7172

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 11 400 505 189

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 2021, 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

Senior Partner

Dated this....23rd....day of.....September........2021.

Hobart, Tasmania.

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 11 400 505 189

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 2021, 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 2021 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 2021, 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.

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 11 400 505 189

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.

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 11 400 505 189

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

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.

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 11 400 505 189

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

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

Senior Partner

Dated this...1st......day of..........October.................2021.

Hobart, Tasmania.

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