Quality Community Care

2020 Annual Report

SOUTH EASTERN COMMUNITY CARE

Our Vision

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

SOUTH EASTERN COMMUNITY CARE

Quality Community Care

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Janice McConnon	11/11
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March Meeting cancelled due to COVID19. April meeting limited attendance due to technical difficulties.

PRESIDENT REPORT

Welcome to the 2019/20 AGM, our 50th AGM. Unfortunately we are not able to celebrate this year given the current circumstances, however we plan to celebrate the 50th milestone in 2021.

The four Independent Living Units have now been completed, and all have been sold. The landscaping around the units has greatly enhanced the appearance of the back of our Somerville Street property.

COVID-19 has affected our operations as a community care provider –aged and disability. Given the circumstances many clients were loathe to accept services in their homes. This lead to fewer hours of service delivery across our programs, and a reduction in some income. The resulting changes in how we delivered services across some of our programs has meant we have finished this financial year with a modest surplus.

Our Home Care Package program has steadily grown with well over 100 participants. The Government announced further funding changes, with a move towards providers being paid in arrears and only for the actual services they deliver. Currently we are paid in advance and continue to keep surplus and unspent Package Funds. With the uncertainly of funding for Aged Care Providers and the disruption caused by COVID-19, the Federal Government advised they would not go ahead with the proposed changes at this time. Our NDIS programs are funded in arrears for services already delivered, and so we are well placed to manage the change of process when it occurs.

Our Day Centre Programs had been unable to meet for some months during the COVID-19 social restrictions. During this time we commenced ‘wellness checks’, delivered activity packages to people’s homes, and had meals delivered to clients we assessed as being at risk through non-attendance. These activities kept our staff in touch with many clients who were missing the social interactions of the Day Centre activities. Our Day Centre programs recommenced on a limited basis in late June, with small half day groups and we are exploring suitable venues to continue small group programs.

We have not yet commenced bus outings or overnight trips, and will not be reintroducing these in the near future due to the risk they pose to the health of potentially vulnerable participants. While we strive to support these social events, we are aware they still pose a risk which we are not prepared to take until the situation in Tasmania, and indeed Australia is more certain.

Quality Community Care

Our fourth successful Community Expo was held in October 2019. There were more people visiting and more exhibitors than previous years. Unfortunately we cannot plan for an expo in 2020. The expo has proved to be a popular free local event where providers are able to outline their available services in Sorell to members of the community. Our staff do continue to support other Expos and exhibits to ensure we stay connected with various community groups.

2019/20 has been a particularly challenging year. The BOM cancelled a meeting at the end of March, and used ZOOM for the April meeting with mixed results. May and June meetings were held in the meeting room with correct social distancing in place. I would like to thank the Board for their work during the year, especially their work on our 2020-23 Strategic and Business Plans. I would like to especially thank Helen Pollard, the CEO, for guiding South Eastern Community Care, and instigating our COVID-19 plan, ensuring all staff have appropriate Personal Protective Equipment. I also would like to thank Barry Chandler and Michelle Moore who have had an increased workload supporting the Organisation and staff through these strange times.

E Lois Green OAM
President

CEO REPORT

I am pleased to be writing this report for South East Community Care's fiftieth annual general meeting. 2019/20 has been a year like no other for our Organisation, and for the general community

For the latter half of the financial year, we have faced restrictions on movement, and reduction in clients wanting staff into their homes due to the COVID19 pandemic. This has meant many vulnerable people have had reduced services, and it has slowed the growth of our Package and Disability Programs. We have, however worked extremely hard to keep staff safe, develop plans and procure the equipment we needed and will continue to need as this pandemic continues to be a lurking presence in Australia and throughout the world.

While our income was less than budgeted, our expenses were also reduced, and we have achieved the surplus which we had budgeted for the 2019/20 financial year. A modest surplus in the difficult and unexpected circumstances we have found ourselves is testament to the incredibly hard work of our management team, our coordinators, office based staff, and all the nursing, care and day centre staff who visit clients and have kept working to give people in our communities much needed care and services so that they can "live the life they want to live".

Disability programs continue to grow, even though this growth slowed somewhat during the latter half of the year. However Disability Programs represent more than 20% of the Organisation's income for 2019/20, up from 10% the previous financial year.

We are proud and excited to see the completion of four Independent Living Units at our premises- 12 Somerville Street. Two of the units were sold from the plan, and the remaining two sold very quickly once building was completed. We wish the occupants of these units the very best as they settle into their new homes.

Thank you to the Board of Management, managers, staff and volunteers who have worked tirelessly to ensure South Eastern Community Care continues to grow and provide much needed care, services and employment in southern Tasmania.

Helen Pollard
Chief Executive Officer

Quality Community Care

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 2019 to June 2020.

Congratulations and thankyou.

15 YEARS

Angela Dunn
Kathy Maass

10 YEARS

Lianne Fauid
Sacha Lloyd-Timbs
Natalie Gudgeon

AGED CARE PROGRAMS

South Eastern Community Care continues to expand Aged Care Packages, with around 120 clients receiving support through our Package programs. Our Coordinators have been developing improved Care Plans and working on greater Coordinator and Nurse input into Packages- especially those identified as higher care needs. We believe we have the resources and expertise to meaningfully add to people's health and wellbeing through the Packaged Care Programs and are excited that our Package numbers continue to grow.

DISABILITY PROGRAMS

With COVID19 in Australia, and a level of anxiety around having people in their homes, we experienced a slowing for some months of new referrals through the NDIS. We have, however, still experienced some growth and we are pleased to have attracted participants who have heard of our flexibility and our ability to provide individualised care.

Through Disability Programs we have been able to support participants from younger children to older people who wish to remain independent and live meaningful lives in their communities.

Our staff are preparing for an independent Audit due later in 2020, and ensuring all our policies and procedures are up to date, staff have access to the documents they need, and care plans and documentation is adequate to give the correct information to all who are involved in the participants care.

INDEPENDENT LIVING UNITS

Our four Independent Living Units, which have been years in the planning, were completed in April 2020. We were excited to welcome the occupants of two of the ILUS in May, with the remaining two units being sold in April and June. The units are well appointed and are in an excellent flat, safe location allowing people to be able to live worry free in quiet surrounds. We wish to extend our thanks to Karen Davis- Architect, and to Taswide Building who completed the units. The project was well managed by Karen who liaised with Taswide, other consultants, Council and our Building Committee to see the project to its completion within budget.

COVID19 PANDEMIC

In late 2019 the World started to hear about a Coronavirus named COVID19. COVID19 has been deadly and spread quickly to all areas of the Globe. In Australia we initially saw cases across all States, and Tasmania unfortunately had a rapid rise in initial numbers. Restrictions on travel and work were put in place in March 2020 to help 'flatten the curve', a phrase we all now know all too well. For our vulnerable clients there have been many who have not wanted staff in and out of their homes, and we have had to stop group activities, with a slow reintroduction commencing after June 2020. The initial slowing of services correlated to a number of staff not being as available for work, although we did see some staff lose work hours. South Eastern Community Care have received some Emergency Funding for COVID-related in-home support and our usual CHSP programs have been quite flexible to ensure we have been able to deliver services in different ways to our traditional models- for example our Day Centre Staff attended in-home wellness check and delivered activity packs to client during April, May and June.

Our offices were closed for many weeks, with the majority of our office-based staff working from Home. As we have invested heavily in our IT infrastructure in recent years, we found the move to home-based work reasonably smooth to set up. The General Manager- Client Services, Michelle, worked extremely long hours and seven days a week to trouble shoot for staff, and to offer staff ongoing support while they worked remotely, and as they managed the transition back into the office environment.

South Eastern Community Care has a Work Safe COVID plan in place, and we have spent significant amounts to ensure we have a reasonable supply of PPE and sanitisers, with flowcharts and instructions in our "Pandemic Supply/Box."

We envisage COVID19 will be an issue to grapple with for some time, and carefully monitor what is happening in Tasmania and Australia to ensure we keep up to date with any actions we may need to take.

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 2020.

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 258,826 (2019: $ (219,867)).

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

L. Green

Lois Green
President
Dated this 15th day of October 2020

Anthony Davis
Treasurer
Dated this 15th day of October 2020

The Board declare that in Board's opinion:

- there are reasonable grounds to believe that the is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 (Cth).

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

Signed in accordance with a resolution of the Board:

L. Green

Lois Green
President
Dated this 15th day of October 2020

Anthony Davis
Treasurer
Dated this 15th day of October 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2020

	Note	2020 $	2019 $
Income			
NDIS funding		3,004,408	1,781,114
Client income		1,000,733	923,985
Grant and other subsidies		5,101,360	4,137,038
HACC State Funds		389,189	388,732
Interest		5,891	8,172
Sundry		38,042	140,771
Total income		**9,539,623**	**7,379,812**
Less: expenses			
Business services		262,898	244,713
Care services		227,082	643,657
Contractors		401,993	100,923
Depreciation		107,102	136,811
Employee benefits expense		7,806,421	6,041,209
General expenses		33,415	42,277
Hotel Services		196,887	156,157
Interest expenses		15,829	13
IT Expenses		180,060	189,704
Motor vehicle expenses		49,110	44,215
Total expenses		**9,280,797**	**7,599,679**
Net surplus/(deficit) for the year		**258,826**	**(219,867)**
Other comprehensive income		-	-
Total comprehensive income		**258,826**	**(219,867)**

The accompanying notes form part of this financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE, 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent	2	1,468,636	775,670
Trade and other receivables	3	363,516	385,197
Other assets		-	57,547
TOTAL CURRENT ASSETS		**1,832,152**	**1,218,414**
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,416,268	1,446,242
Investment properties	5	1,375,462	-
Right of use asset - leased assets		42,097	-
TOTAL NON-CURRENT ASSETS		**2,833,827**	**1,446,242**
TOTAL ASSETS		**4,665,979**	**2,664,656**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,290,103	772,732
Employee benefits	8	928,093	505,394
Leasehold deposits		726,958	-
Lease liability		21,755	-
TOTAL CURRENT LIABILITIES		**2,966,909**	**1,278,126**
NON-CURRENT LIABILITIES			
Employee benefits	8	65,882	29,489
Lease liability		17,321	-
TOTAL NON-CURRENT LIABILITIES		**83,203**	**29,489**
TOTAL LIABILITIES		**3,050,112**	**1,307,615**
NET ASSETS		**1,615,867**	**1,357,041**
EQUITY			
Accumulated surpluses		1,615,867	1,357,041
TOTAL EQUITY		**1,615,867**	**1,357,041**

The accompanying notes form part of this financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2020

	Accumulated Surpluses $	Total $
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**
2019		
Balance at 1 July 2018	1,576,908	1,576,908
Net surplus/(deficit) for the year	(219,867)	(219,867)
Balance at 30 June 2019	**1,357,041**	**1,357,041**

The accompanying notes form part of this financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2020

	Note	2020 $	2019 $
CASH FROM OPERATING ACTIVITIES:			
Receipts from operations		400,673	1,191,439
Receipts from government		9,642,499	6,896,912
Payments to suppliers and employees		(8,629,652)	(8,399,618)
Interest received		5,891	8,172
Net cash provided by operating activities	9	1,419,411	(303,095)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1,435,640)	(225,435)
Proceeds from sale of property, plant and equipment		-	16,364
Net cash provided by/ (used by) investing activities		(1,435,640)	(209,071)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Leasehold deposits received		730,964	-
Repayment of lease liability		(21,754)	-
Net cash used by financing activities		709,210	-
Net cash increase (decreases) in cash and cash equivalents		692,981	(512,166)
Cash and cash equivalents at beginning of year		775,655	1,287,836
Cash and cash equivalents at end of financial year	2	1,468,636	775,670

The accompanying notes form part of this financial statements

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

This 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.

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 not-for-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.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Comparative Figures

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

(b) Cash and Cash Equivalents

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

(c) Trade 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.

Trade and other receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly 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 is based on the Association's historical experience, an informed credit assessment and forward looking information this is all considered in the allowance eon losses for trade receivables. A provision for impairment is made at year end based from the assessment.

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

(d) Property, Plant and Equipment

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

Freehold land and buildings are shown at independent valuation undertaken in July 2019 as valued by Bendigo and Adelaide Bank Ltd. 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, 2020

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

Investment properties are held to generate long-term rental yields and capital growth. Investment properties are carried at cost less any accumulated depreciation and any impairment losses.

(e) Fair Value Measurement

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

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

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

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

(f) Impairment of Assets

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

(g) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

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

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

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise Cash and cash equivalents, term deposits and trade and other receivables in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

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

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.

Trade receivables
Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the 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, 2020

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.

(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. The Association currently maintains a level of cash and cash equivalents in the form of short term deposits and investment accounts to fund a full repayment of all Leasehold Deposits.

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

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) Revenue and Other Income

Revenue prior to July 2019

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.

Donations 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.

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

Revenue from 1 July 2019

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.

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

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.

Income for Not-for-profit entities from 1 July 2019

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.

(m)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.

(n) 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

(o) Adoption of New and Revised Accounting Standards

The Association has adopted all standards which became effective for the first time as at 1 July 2019. All required changes in respect of adopting these standards have been made to the reported financial position, performance or cash flow of the Association.

The impact was as follows;

Revenue

AASB 15 Revenue from contracts with customers and AASB 1058 Income for not for profit entities became effective from 2020. These standards changed the timing of income recognition depending on whether transactions give rise to a liability or other performance obligation (a promise to transfer a good or service.) There has been no significant impact on the financial report and no requirement for any reclassification or restatement of comparatives.

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

Leases

AASB 16 Leases standard is applicable to the annual reporting periods beginning on or after 1 January 2019. The Association applied the standard from 1 July 2019.

AASB 16 Leases introduced a single lessee accounting method and requires a less to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (lower than the asset capitalisation policy). A lessee is required to recognise a right-of-use asset representing the right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and increases in lease payment. A corresponding right to use asset is recognised and amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the lease is through amortisation and interest charges.

The Association adopted AASB 16 Leases using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

In the statement of cash flows, lease payments are shown as cash flows from financing activities instead of operating activities.

The impact in 2020 first time implementation was to recognise a right-of-use asset and corresponding liability on totalling $ the impact on the statement of comprehensive income for 2020 was to reduce rent expense $ by and increase depreciation by $ and interest by $. Cashflows relating to leases are classified as finance activities.

There was no d operating lease commitments disclosed at 30 June 2019. The lease liabilities recognised on the initial application $ is the discounting using the incremental borrowing rate at the date of initial application and recognition of new leases.

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Standard AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This standard applied to annual reporting periods beginning on or after 1 January 2022. The Association has decided against early adoption of this Standard.

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

(q) Critical Accounting Estimates and Judgments

The Board make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgments made have been described below.Input additional text here.

Key estimates - Impairment

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

Key estimates - fair value of land and buildings

he Association carries its land and buildings at fair value with changes in the fair value recognised in the statement of comprehensive income. The Board updates their assessment of the fair value of each property taking into account the most recent sales, valuations and movements in the market. In the current environment with the uncertainty around the impact of COVID-19 is having on 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. The estimates and judgments are based on the best available information at the time of preparing the valuation, however, as additional information is known then the actual 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.

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

	Note	2020 $	2019 $
Note 2			
Cash and Cash Equivalents			
Cash on hand		687	687
Cash at bank		1,467,949	774,983
Total cash and cash equivalents	`	1,468,636	775,670
Note 3			
Trade and Other Receivables			
Trade receivables	3(b)	363,516	373,855
Accrued revenue		-	11,342
		363,516	385,197
(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		336,771	327,380
31-60 days		(64,319)	12,099
+60 days (past due not impaired)		91,114	34,376
+60 days (considered impaired)		-	-
		363,566	373,855

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, 2020

	2020 $	2019 $
Note 4		
LAND AND BUILDINGS		
Freehold land		
At valuation	650,000	650,000
Total land	650,000	650,000
Buildings		
At valuation	550,000	550,000
Accumulated depreciation	(13,825)	-
Total buildings	536,175	550,000
Total land and buildings	1,186,175	1,200,000
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	357,908	297,819
Accumulated depreciation	(246,891)	(204,928)
Total plant and equipment	111,017	92,891
Motor vehicles		
At cost	273,452	273,452
Accumulated depreciation	(154,376)	(120,101)
Total motor vehicles	119,076	153,351
Total plant and equipment	230,093	246,242
Total property, plant and equipment	1,416,268	1,446,242

(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:

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

(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 and buildings $	Plant and Equipment $	Motor vehicles $	Total $
Year ended 30 June 2020				
Balance at the beginning of year	1,200,000	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	1,186,175	111,017	119,076	1,416,268
Year ended 30 June 2019				
Balance at the beginning of year	1,016,780	121,683	144,603	1,283,066
Additions	145,499	22,528	57,423	225,450
Revaluation increment/(decrement)	61,456	-	-	61,456
Disposals	-	-	(8,873)	(8,873)
Depreciation expense	(23,735)	(51,320)	(39,802)	(114,857)
Balance at the end of the year	1,200,000	92,891	153,351	1,446,242

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

	Note	2020 $	2019 $
Note 5			
Investment Properties			
At cost			
Opening balance		-	-
Acquisitions		1,375,462	-
Disposals		-	-
		1,375,462	-
Note 6			
Leases			
Right-of-use assets			
Right of use asset - leased assets			
At cost		59,033	-
Accumulated depreciation		(16,936)	-
		42,097	-
Note 7			
Trade and Other Payables			
Credit card		2,029	7,130
Accrued salaries & allowances		226,245	253,556
Amounts due to customers for contract work		70,949	-
GST/BAS payable		94,025	60,082
HCP unpent funds		596,675	288,265
Other creditors		29,230	163,699
Unspent grant		270,950	-
		1,290,103	772,732

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, 2020

	Note	2020 $	2019 $
Note 8			
Employee Benefits			
CURRENT			
Annual leave		556,427	298,727
Provision for long service leave		371,666	206,667
		928,093	505,394
NON-CURRENT			
Provision of long service leave		65,882	29,489
		65,882	29,489
Note 9			
Cash Flow Information			
Reconciliation of Cash Flow from Operations with Surplus/(Deficit)			
Net surplus/(deficit) for the year		258,826	(219,867)
Adjustments:			
- Retentions		(4,006)	-
- Depreciation and amortisation		107,102	136,811
- (Profit)/loss on disposal of assets		-	7,491)
- Interest - leased assets		1,798	-
Changes in assets and liabilities			
- (Increase)/decrease in trade and other receivables		21,681	(256,794)
- (Increase)/decrease in prepayments		57,547	(702)
- Increase/(decrease) in trade and other payables		517,371	377,297
- Increase/(decrease) in employee benefits		459,092	(3,423)
- Increase/(decrease) in deferred income		-	(328,926)
		1,419,411	(303,095)

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

Note 10

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	2020 $	2019 $
Financial Assets			
Cash and cash equivalents	2	1,468,636	775,670
Trade and other receivables	3	363,516	385,197
Total Financial Assets		**1,832,152**	**1,160,867**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	7	1,290,103	772,732
Total Financial Liabilities		**1,290,103**	**772,732**

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.

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

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

(a) Liquidity risk

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

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that ade quate 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, 2020

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	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Financial Assets:						
Cash and cash equivalents	1,468,636	775,670	-	-	1,468,636	775,670
Trade and other receivables	-	-	363,516	385,197	363,516	385,197
Total Financial Assets	**1,468,636**	**775,670**	**363,516**	**385,197**	**1,832,152**	**1,160,867**
Financial Liabilities:						
Trade and other payables	-	-	1,290,103	772,732	1,290,103	772,732
Leasehold deposits	-	-	726,958	-	726,958	-
Total Financial Liabilities	**-**	**-**	**2,017,061**	**772,732**	**2,017,061**	**772,732**

Note 11

Auditors' Remuneration

	2020 $	2019 $
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	7,400	6,000
	7,400	6,000

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, 2020

	2020 $	2019 $

Note 12

Fair Value Measurement

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

- Land and buildings

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 2020				
Land and buildings				
Land and buildings	-	1,186,175	-	1,186,175
30 June 2019				
Land and buildings				
Land and buildings	-	1,200,000	-	1,200,000

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

Note 13

Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Association is $385,518 (2019: $448,382).

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 2020 (2019: Nil).

Note 15

Contingencies

The Association has received, over time, capital grants. These grants may have conditions attached that require repayment of all, or part, of the grant to the funding provider if they are used or disposed of in a manner inconsistent with the original intended purpose. At the date of this report the amount and the probability of repayment being required can not be reliably determined.

There are no other contingent liabilities or contingent assets as at reporting date to be disclosed.

Note 16

Capital and Leasing Commitments

There are no capital and leasing commitments as at reporting date to be disclosed.

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)

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 2020, 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.....8th.....day of..........October.........2020.

Hobart, Tasmania.

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

Independent Audit Report to the members of

Opinion

We have audited the financial report of (the Association), which comprises the statement of financial position as at 30 June 2020, 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 2020 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 2020, 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.

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.

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Independent Audit Report to the members of

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.

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.

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

Independent Audit Report to the members of

- 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.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

Crowe Audit Australia

Senior Partner

Dated this...15th....day of............October.............2020.

Hobart, Tasmania.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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