



**Fernlea**

Caring Flexible Respite

# Annual Report

2019–2020

*Quality care you can trust*

# Our three year strategy

A strategy to better lives

2020–2023



GOAL 1

**Build Fernlea's capacity,  
reputation and credibility**



GOAL 2

**Maintain, grow and diversify  
Fernlea's income streams**



GOAL 3

**Develop and expand what  
we offer to clients and the  
community**



GOAL 4

**Improve Fernlea's visibility  
through marketing, promotion  
and advocacy**

**WHAT WE ARE (OUR MISSION)**

We are support when it's most needed. We connect our community. We make a difference.

**WHAT WE STRIVE FOR (OUR VISION)**

A community where the end of life experience is supported, respected and better understood.

**WHAT WE DO (OUR PURPOSE)**

We provide responsive, nurturing services that support clinical palliative care and enhance quality of life.

**WHAT WE BELIEVE IN (OUR VALUES)**

Caring, compassion, integrity, respect and quality.

# Contents

---

**5**

President's Report

**9**

CEO'S Report

**13**

Performance & Remuneration Committee

**15**

Communications & Marketing Committee

**15**

Risk Committee

**16**

Supporting Fernlea

**18**

Treasurer's Report



Aged Care Quality Standards  
Accredited



'Fundraising Licence  
FR0014942'





Guests enjoy activities that are of interest to them.

# President's Report

---

Throughout 2019/20 the Board of Directors has maintained a strong focus on ensuring Fernlea Community Care remains robust, relevant and well placed for the future, maintaining its reputation as a quality service provider. The Board has continued to work with the CEO on delivery of the Strategic Plan. It has been a complicated year as we have sought to continue the work we believe in, at the same time as managing risks to staff, volunteers and clients through the COVID-19 pandemic. Operationally the team have done a great job.

## Submission to the Royal Commission

In our submission to the Royal Commission into Aged Care Quality & Safety we addressed future challenges and opportunities for delivering accessible, affordable and high-quality aged care services in Australia, including:

- In the context of changing demographics and preferences, meeting people's desire to remain living at home as they age including in remote, rural and regional Australia.
- What the Australian Government, aged care industry, Australian families and the wider community can do to strengthen the system of aged care services to ensure that the services provided are of high quality and safe.
- How to ensure that aged care services are person-centred, including through giving people greater choice, control and independence in relation to their care, and improving engagement with families and carers on care-related matters.

Fernlea's services already incorporate the principles of person-centred care, maintaining independence and improving quality of life. We continue to add value to the lives of people with a life-limiting illness, as well as their carers, by keeping them supported and living

within their communities for as long as possible, before entering residential aged care, hospital or palliative care.

The purpose of our submission to the Royal Commission was threefold:

- To offer the Royal Commission a possible solution that could be adopted to improve the service delivery within Aged Care.
- To ensure that the Government, in accepting the recommendations from the Royal Commission, recognises that centre-based respite must be part of the future model for Aged Care Respite Services.
- To ensure Fernlea remains top of mind for Government funding decision-makers, as Fernlea funding is not guaranteed beyond 2022.

It is not known which model of aged care funding the federal government will adopt beyond 2022. We have and will continue to put a strong case for retaining community-based services like those provided by Fernlea, as a way of supporting home care and keeping people socially engaged in their community.

## Fernlea's Services

Fernlea has an established reputation for delivering quality, caring services to people with a life-limiting illness. Over the past few years we have expanded the geographical reach of Fernlea's service and have grown the range of services on offer. There is no 'one size fits all' approach and Fernlea's clients/guest deserve choice. Fernlea is exploring offering a wider range of holistic services, spanning from diagnosis to death.

## Strategic Plan 2020 to 2023

In December the Board undertook a review of our strategic plan and has continued to work with the CEO to ensure delivery of strategy through the business plan. Specifically there has been a focus on increasing revenue streams from our existing services and commercial businesses, establishing the groundwork for new service development in future years as well as positioning us to obtain a continuation of Federal Government and possibly State Government grants. The Board has also focussed on developing comprehensive business support to underpin growth and building strong stakeholder and advocate frameworks to increase profile, reach and influence.

The Board understands its role in setting and supporting the culture across the organisation. To that end we reviewed and enhanced the Fernlea Community Care values.

- **Caring:** We respect individuality, choice, privacy, independence and dignity
- **Compassion:** We genuinely concerned about the other person or people's needs
- **Respect:** We treat people with courtesy, politeness, and kindness
- **Quality:** What we do, we do well
- **Integrity:** We are trustworthy, reliable, practice and encourage open and honest communication and we are responsible for our actions

This annual report incorporates information about Fernlea Community Care programs, activities, achievements as well as Fernlea's financial performance.

## Acknowledgements and Appreciation

**Guests and Carers:** To all those who spent time with us at Fernlea House or in Berwick, we enjoyed being there for you and we hope you had positive experiences. We look forward to the COVID-19 restrictions easing and being together again.

**Our Clients:** To all of our valued clients, thank you for choosing us to provide your in-home care, we know it is a privilege to be invited into your homes and being trusted with your care. We will continue to work in partnership with you, and to seek your feedback and participation in providing quality services that meet your needs.

**Volunteers:** You are so very important to what we do and there are so many examples of different ways you contribute to our success. The Board recognises and thanks you sincerely for all your efforts.

**CEO and Management Team:** Our CEO Sue McIvor has provided positive leadership and direction to the organisation. Leadership has inherent challenges and requires commitment, effective communication and change management skills. On behalf of the Board we would like to congratulate Sue and the rest of the management team on their efforts in supporting staff through change and continued growth and in ensuring that Fernlea Community Care has effective systems and processes to enable the provision of high-quality services and outcomes to our clients.

**Staff:** For their ongoing professionalism, commitment and energy, for living the Fernlea Community Care culture and values of putting clients first. The Board recognises and appreciates all that you do to ensure our clients receive the best services we can give them.

**Our Funding Bodies:** Support from the Federal Department of Health and Ageing is recognised as critical for enabling how we serve people.

**Board Members:** A high level of commitment is required as a voluntary Board member. The Directors carry the burden and privilege of stewardship for an organisation and this requires time, skills and a sense of humour and patience. Fernlea Community Care is very fortunate to have such an effective, client-focused and highly ethical Board. I would like to extend my thanks to my fellow Directors, for providing sound governance and leadership and for their contribution to Fernlea Community Care.

Paul Woods  
President

## Special thanks

Members will be aware that there were changes to the Board after the end of the financial year that this report relates to. We reluctantly accepted the resignation of Barry Thompson in July for personal reasons. Barry can be credited with providing stability and direction to Fernlea since 2013 and with getting Fernlea into the solid and financially viable position we enjoy today. We felt that we could not let this opportunity pass without publicly thanking him for his tireless efforts, commitment and passion.

Barry's resignation also brought forward resignations from Bethany Newman and Catherine Maguire which, again reluctantly, the Board accepted. We thank both for their considerable contributions.

Paul Woods  
President



Our guests receive safe and effective personal care in a home like environment.



## My Experience at Fernlea.

It fulfills a huge need in the Berwick Area.

I didn't think it would be suitable for me. I was sure that it wasn't my thing. I would give it two weeks. That was in Feb. and it is now July! The workers are amazing i.e. both paid and volunteers.

Activities are varied. There is a balance between active and passive.

The meal is wonderful and well presented

My husband's needs have been taken into consideration as I'm taken home in the bus each week.

Ann McKee



Dear Jane

As you know Elaine is now in full time care in the dementia section at VMCH Berwick. These decisions are never easy but it was becoming increasingly difficult to care for her at home as her lack of mobility became more advanced.

She was first diagnosed in Adelaide with dementia in 2014 and while we managed well in the first few years it became more and more advanced so it was decided we would move to Melbourne in 2018 to be closer to the support of our family.

One of the issues proved to be the constant care and support she needed 24 hours a day and while I understood and accepted this aspect it could become overwhelming at times.

I was therefore very grateful to be made aware of the wonderful service offered by Fernlea each Friday in Berwick. It provided a very welcome respite for me each week knowing Elaine was in such a safe and caring place. The work you and support workers do is amazing and very much appreciated.

Thank you all so very much

Abraham & Dowell

# CEO'S Report

---

It can be difficult to measure the impact that an organisation like Fernlea has, but when we hear a guest's family say, 'you all made his life so much better... gave him purpose and joy' we know we are achieving our mission to 'make a difference'. We recognised a long time ago that these personal stories mean so much more than we could ever say about ourselves. Our impact through these personal experiences is immeasurable.

The measurable things – the targets and statistics – are important too. They show we are a healthy, growing organisation, that we are expanding our reach, and that we are continuing to generate the resources and capacity needed to keep providing services.

This report is a combination of our achievements over the past year – those that can be quantified and those that can't.

Of course, just like every other organisation, business and individual in Australia, COVID-19 was a 'curveball' that we hadn't seen coming. It presented the major challenge for the year. We adjusted quickly, but not without a significant increase in workload and pressure. At times it was a daily ritual of waiting for government announcements, trying to interpret them, often with very little guidance, and then communicating and implementing them. While the pandemic meant we had to put some things on hold, we didn't allow it to distract us from also focussing on the future.

The Board and I continued to look forward and to develop a vision and action plan for where we need to head. In 2019 we met with a facilitator to develop a strategic plan for 2020-23. As part of succession planning, and in preparation for the new strategic plan, we continued to restructure:

- our Admin Coordinator became Admin Manager and took on higher-level responsibilities
- we created a new Admin & Rostering Assistant role to provide specific support for day respite and in-home care as they grow
- the Board and I began a review of our marketing, communications and stakeholder engagement resources, especially as they relate to our new strategic plan
- and we included the development of an advocacy plan within the strategic plan to provide a roadmap as we head towards re-negotiating our federal funding from 2022 onwards.

We finalised our submission to the Royal Commission into Aged Care Quality & Safety. The personal stories and Fernlea's model of care formed the basis for that submission. We strongly believe that community services like Fernlea will be critical to the future success of aged care in the wash-up from the Royal Commission. We, like many of you, heard horror stories from the Royal Commission, including about poor food and nutrition in aged care. We also heard about the work that Maggie Beer is doing to address this, and that resonated with us. We made a video thanking Maggie and her Foundation for their leadership in this area and were thrilled when they wrote back to us saying 'your video made our day'!

Another major set of work undertaken by staff during the year was preparing for our three-yearly audit by the Aged Care Quality & Safety Commission. An external audit like this can create a sense of confidence in the people coming to us, as it is an independent assessment of our services against standards that apply across the whole of aged care. Our audit was planned for 7th April but is now on hold until the pandemic is over.

Centre-based day respite grew in reach as we welcomed new guests and their families. We also increased our income in this area by more than 7%, despite the impact of COVID-19.

In March, we closed our day respite centres to reduce the risk of infection. We changed our delivery model and offered one-on-one day respite within guests' own homes. We delivered activities and care packages to those who decided to put day respite in hold for a while, and our staff and volunteers maintained telephone contact with guests and their carers. We re-opened for one week in June, but closed again due to increased COVID-19 spread. While closed, we took the opportunity to refurbish Fernlea House in Emerald, with the very generous donation from one of our guests and their family. We can't wait to reopen for everyone to see what a difference it has made.

During the year, we applied for additional day respite funding to expand the reach of our services in the south-east. While we weren't successful in getting that funding, we decided to include an ambitious plan for growth in the Strategic Plan. For a while now, we have been exploring investing in our own centre in the Berwick/Pakenham area, rather than continuing to be limited by using someone else's venue. This will not only allow us to increase the number of days we provide day respite, but will also allow us to use the venue to provide other types of services. I believe we will have some really positive news about this in the near future.

Many of you would know from my previous reports that we have been working on some end-of-life projects funded through a state Department of Health

& Human Services grant. I am pleased to report that we have made significant progress on these. The new Carer Support Group is ready to start and will open once COVID-19 restrictions have been lifted. We are about to send out a tender document seeking an author to write our 'The Last Taboo: a practical guide to dying' book. And we are close to finalising the model for our memoirs and home visiting programs. All of these will add to the range of supports available to people dealing with end-of-life issues, especially carers.

As noted in my report last year, fundraising is an important activity, not only as an income stream but also because it creates a public presence for Fernlea. The Board and I know there is much more work we could do in this area, and so a fundraising strategy was developed last year that includes things like developing a stronger donations platform and investigating a bequest program. Unfortunately, our plan to develop a flagship major event had to be put on hold, but we are committed to investing in building this area of our work over the coming year.

Our social enterprises – Fernlea In-Home Care and Fernlea Shop of Opportunities – both of which provide income to fund our community work, grew from strength to strength.

In-home revenue grew by more than 40% over the previous year. As an essential service, Fernlea In-Home Care has continued to operate throughout the pandemic. We know this has been especially important for carers as they deal with the extra burden of caring for someone with a life-limiting illness during a pandemic. It has required a huge amount of work from managers to develop COVID-safe plans and to keep our PCAs supported and motivated. Our PCAs working on the front line, both in-home and day respite, have been so dedicated and vigilant in maintaining these heightened infection control measures over such an extended period of time.

By many measures, our Fernlea Shop of Opportunities had another great year. Unfortunately though, while we were on track to meet and likely exceed our

budgeted annual income, being forced to close the shop for an extended period had a significant impact on that. In February, Catherine Kenney, who had nurtured the shop from its very beginnings resigned, and we welcomed our new manager Sharon Donovan. Sharon was able to keep online sales going throughout the closure and dealt with the donations that kept coming in. We were excited to re-open in June, but that was short-lived when the Stage 4 lockdown was imposed. We look forward to welcoming back our volunteers and customers very soon.

Our office staff moved to working from home in March and have been doing so ever since – at the time of writing this, while outside the reporting period, we have now been doing that for almost eight months. We have been able to keep the business and admin support side of the organisation going, really without missing a beat. There have definitely been challenges, for example, as we took on new staff and had to employ and induct them remotely, including our Finance Administrator, Emi Rubio, who joined us in March after Corinne Woodyard resigned to move to Queensland.

Without exception, I want to give a huge thank you to all Fernlea staff. They rise to the occasion every year, but this year has been something else!

We have more than 80 volunteers, and while some, like our shop volunteers, had to take a break during the COVID-19 closure, some of those who work with our guests kept working and were part of a 'phone tree' to stay in touch with our guests and their carers while the centres were closed. This is very-much appreciated as this personal touch is part of what makes Fernlea the place it is. We also continued to look at ways we can improve resources and support for our volunteers. During the year, we uploaded the new training modules to the volunteer portal so volunteers can access them from anywhere and do the training at their own pace. As we do each year, we celebrated International Volunteer Day on the 2nd of December with a Christmas lunch at the Emerald RSL. This is an event provided by Fernlea staff as a 'thank you' for the

contribution our volunteers make to the organisation. On that day we also recognise some volunteer milestones, with certificates for those who have been with us for one, five and ten years.

I started this report by talking about the impact Fernlea has on other people, but so many people also make an impact on Fernlea.

Firstly, our volunteers and staff – as a team, it is your caring, compassion and integrity that create the Fernlea the outside world sees, and on which our values are based.

Secondly, thank you to the wider community that supports and impacts so positively on Fernlea – our guests and clients, their families, our donors and funding bodies, our probono business supporters and community partners.

And finally, thank you to the Board Directors and Advisors for their generous support of my role through their professionalism and expertise. I especially want to acknowledge President Barry Thomson who has been with Fernlea since I started, and from whom I have learned so much.

Sue Mclvor  
CEO



Our guests are treated with dignity and respect.

# Performance & Remuneration Committee

---

The Performance and Remuneration Sub-Committee is responsible for CEO performance and remuneration review. The committee comprises Board members Kellie Alford, Riley Batchelor, and Bethany Newman.

The annual CEO performance review aims to assess the CEO across the spectrum of performance objectives outlined in Fernlea's Business Plan, allows for constructive feedback, and aims identify new opportunities for development.

Remuneration review is performed separately to performance review. The Committee utilises salary data and wage statistics for relative not-for-profit organisations and undertakes comparative analysis of these with Fernlea. The aim of this process is not only to pay the CEO the fair market rate, but also to recognise the significant contribution and improvements made by the CEO to the organisation's financial position and growth.

The Performance and Remuneration Sub-Committee has over the past year improved the review process to be more objective, and to better reflect the execution of key performance indicators. The CEO's performance is assessed over the course of the entire year, with consideration of Fernlea's Strategic Plan.

Riley Batchelor  
Director



Our services support a person's emotional, spiritual and psychological well-being.

# Communications & Marketing Committee

---

The role of the Communications & Marketing Committee is to provide expert advice to the CEO and marketing staff, and to provide recommendations and feedback on marketing, communication and fundraising initiatives. This year, the Committee comprised of Catherine Maguire (Director), Bethany Newman (Director), Christine Weller (Advisor), Lynne Trensky (Marketing & Communications Manager) and Sue Mclvor (CEO).

The major sets of work undertaken by the Committee during the year were:

- Input into the development of a new Fundraising Strategy
- Review of the annual marketing objectives
- The review and endorsement of a one-page strategic plan as the organisation's public strategy document
- The review of a communications plan developed in response to COVID-19

The Director representatives on the Committee also provided input into a marketing and communications review, in relation to the Board's development of the 2020-23 Strategic Plan.

The Committee especially wants to recognise the contribution of Christine Weller as an advisor to the Board, Committee and Fernlea staff.

# Risk Committee

---

The Terms of Reference for the Risk Committee requires it to consist of a minimum of three Directors and the CEO. This year, those Directors were Graeme Legge (Chair), Lara Bandarian and Erin O'Loughlin, as well as CEO Sue Mclvor.

The role of the Risk Committee is to assist the Board in its governance of the organisation's risks, including identifying key areas of risk, developing risk policies and procedures, reviewing the risk management framework and making recommendations to the Board in relation to risk.

During the year, the committee undertook the following tasks:

- Developing a Voluntary Assisted Dying policy & procedure
- Reviewing the rating for all risks on the Risk Register
- Supporting the CEO to work towards addressing technology-related risk

During the year, a decision was taken by the Board for risk to now be included within the remit of the Finance Committee.

# Supporting Fernlea

---

Our volunteers, members of Fernlea, community partners, probono business supporters, and donors play a vital role in supporting Fernlea Community Care. Here are a number of ways you can support Fernlea Community Care.

## Become a volunteer

Fernlea Community Care could not exist without our volunteers, and there are so many ways you can be involved, including working directly with our guests, as a driver, in the op shop and many more roles. We provide training and ongoing development opportunities. You will become part of a supportive community, and you can be sure your contribution is always appreciated. Contact Nicole on 03 5968 6639 or visit our website at [www.fernlea.com.au/volunteering-opportunities](http://www.fernlea.com.au/volunteering-opportunities).

## Become a member

Becoming a member and paying an annual membership fee of \$20 is another great way of supporting Fernlea's work. As a member, you receive advanced notice of events, are entitled to vote at the AGM and can join the Board. To become a member today, contact Nicole on 03 5968 6639 or email [admin@fernlea.com.au](mailto:admin@fernlea.com.au).

## Become a donor

Our donors are an increasingly important part of our support base, as donations allow us to provide more than just a basic service. To donate, visit our website at [www.fernlea.com.au/donate](http://www.fernlea.com.au/donate) or contact Nicole on 03 5968 6639 or [admin@fernlea.com.au](mailto:admin@fernlea.com.au). All donations over \$2 are tax deductible.

## Become a supporter

Fernlea appreciates the strong connections we have with business and value their shared support and commitment in the local community we serve. To offer support, visit our website at [www.fernlea.com.au/supporters](http://www.fernlea.com.au/supporters) or contact Nicole on 03 5968 6639 or [admin@fernlea.com.au](mailto:admin@fernlea.com.au). All donations over \$2 are tax deductible.





# Treasurer's Report

---

I am pleased to present the audited financial statements of the Fernlea Community Care Inc for the period ended 30th June 2020.

## Profit or Loss (Statement of Income and Expenditure)

This year we made a surplus of \$165,654 (last year \$125,837).

Our income went from \$926,826 to \$1,048,788. On the face of it this is good, but the breakup is the important thing to know.

The closure of the shop and the cessation of fundraising as a result of the COVID-19 shutdowns obviously reduced our income, so that we estimate that we lost about \$27,000 in shop revenue and \$10,000 from the lack of a major fundraiser. Remember also that we only shut down towards the end of March, so for the majority of the year we continued to operate with a surplus like last year.

We continued our in-home care services despite the extra measures required, and this business continued its gains from earlier years to compensate for much of the above losses.

The Government response, both State and Federal, provided us with financial assistance, which was designed to compensate for our loss of income, and in the financial year we are looking at here, we received a welcome \$112,282.

We decided to retain our staff rather than laying them off and so the JobKeeper part of this amount, which was to enable us to do this, ended up paying their wages for us.

## Other

Two years ago, we were lucky enough to receive a major grant to cover the costs of running a number of extra projects complementary to our respite service.

While the first half of this period was spent in the planning process, we should now have been putting all the money and groundwork into practice, however this has been largely prevented by the shutdown but it is expected that we can extend the plan of action into another year.

## Expenses

Our biggest cost is staff expenses. This has shown a jump from \$629,229 to \$715,767. This increase comes from in-home care wages that have gone up in line with the increased business, as well as additional costs incurred as required by other grants and is therefore also matched by additional income.

## Balance Sheet

We are in the wonderful position of having \$570,443 in the bank on 30 June, and while \$205k of this is grant money we have yet to spend, the balance is ours.

## Future

The Government subsidies as a result of COVID-19 continue into this year and we have already received \$118,421.

Although there may be some temporary loss of business when we open up it anticipated that we will soon be trading normally, and the wonderful effort of our staff will have more than made up for the negative effects of the virus.

Next year the business should also show a positive result.

Roger Lord  
Treasurer

**FERNLEA COMMUNITY CARE INC  
A.B.N. 73 846 428 558**

**CONTENTS**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020**

Committee's Report	1
Statement of Profit or Loss And Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Statement by Members of the Committee	16
Auditor's Report	17
Income and Expenditure Statement	19

**FERNLEA COMMUNITY CARE INC**

**A.B.N. 73 846 428 558**

**COMMITTEE'S REPORT**

Your committee members submit the financial report of the Fernlea Community Care Inc for the financial year ended 30 June 2020.

**Committee Members**

The name of each member of the committee during the year and if different, at the date of the report;

Barry Thomson resigned 31 August 2020	President
Paul Woods appointed 25 November 2019	Acting President
Rob Wall resigned 1 August 2019	Vice President
Bethany Newman resigned 31 August 2020	Vice President
Roger Lord	Treasurer
Kellie Alford	Committee Member
Graeme Legge resigned 25 November 2019	Committee Member
Catherine Maguire resigned 31 August 2020	Committee Member
Lara Bandarian resigned 25 November 2019	Committee Member
Riley Batchelor	Committee Member
Erin O'Laughlin resigned 25 November 2019	Committee Member

**Principal Activities**

The principal activities of the association during the financial year were:

to improve the quality of life for people with a life-limiting-illness and their carers and families and the provision of home-like community day care, visiting outreach services and psychosocial support.

**Significant Changes**

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

**Operating Result**

The profit of the association amounted to \$165,654.

Signed in accordance with a resolution of the Members of the Committee.

**Committee Member:**  \_\_\_\_\_  
**Paul Woods**

**Committee Member:**  \_\_\_\_\_  
**Roger Lord**

**Dated this** 29th **day of** October 2020

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	Note	2020 \$	2019 \$
<b>Income</b>			
Revenue	1	1,049,039	926,826
Other income	1	(251)	-
		<u>1,048,788</u>	<u>926,826</u>
<b>Expenditure</b>			
Advertising expenses		(8,404)	(10,211)
Administration expenses		(32,905)	(31,678)
Auditors' remuneration	2	(4,850)	(4,234)
Bad and doubtful debt expenses		(80)	(350)
Depreciation and amortisation expenses		(9,177)	(8,856)
Employee benefits expenses		(715,767)	(629,229)
Fundraising and donations		-	(12,538)
Guest expenses		(10,611)	(11,844)
Motor vehicle and travelling expenses		(6,306)	(8,344)
Occupancy expenses		(53,099)	(41,179)
Op-shop expenses		(38,272)	(38,356)
Volunteer expenses		(1,890)	(4,170)
Other expenses		(1,773)	-
<b>Total expenses</b>		<u>(883,134)</u>	<u>(800,989)</u>
<b>Profit for the year</b>	3	165,654	125,837
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>165,654</u></u>	<u><u>125,837</u></u>

The accompanying notes form part of these financial statements.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	570,443	542,658
Trade and other receivables	5	55,592	22,089
Other current assets	6	25,134	25,173
<b>TOTAL CURRENT ASSETS</b>		<u>651,169</u>	<u>589,920</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	55,952	42,298
<b>TOTAL NON-CURRENT ASSETS</b>		<u>55,952</u>	<u>42,298</u>
<b>TOTAL ASSETS</b>		<u>707,121</u>	<u>632,218</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	22,185	23,059
Provisions	9	47,811	73,006
Other current liabilities	10	209,987	274,669
<b>TOTAL CURRENT LIABILITIES</b>		<u>279,983</u>	<u>370,734</u>
<b>TOTAL LIABILITIES</b>		<u>279,983</u>	<u>370,734</u>
<b>NET ASSETS</b>		<u>427,138</u>	<u>261,484</u>
<b>EQUITY</b>			
Accumulated Surplus	11	427,138	261,484
<b>TOTAL EQUITY</b>		<u>427,138</u>	<u>261,484</u>

The accompanying notes form part of these financial statements.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	Note	Accumulated Surplus \$	Total \$
<b>Balance at 1 July 2018</b>		135,647	135,647
Profit attributable to members		125,837	125,837
<b>Balance at 30 June 2019</b>		261,484	261,484
Profit attributable to members		165,654	165,654
<b>Balance at 30 June 2020</b>		<u>427,138</u>	<u>427,138</u>

The accompanying notes form part of these financial statements.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	2020	2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from operations	1,007,186	846,851
Payments to suppliers and employees	(964,785)	(789,927)
Interest received	8,466	11,151
<b>Net cash provided by operating activities</b>	<b>13</b> <u>50,867</u>	<u>68,075</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of plant and equipment	273	-
Payments for property, plant and equipment	(23,355)	(29,164)
<b>Net cash used in investing activities</b>	<u>(23,082)</u>	<u>(29,164)</u>
Net increase in cash held	27,785	38,911
Cash at beginning of financial year	542,658	503,747
<b>Cash at end of financial year</b>	<b>4</b> <u><u>570,443</u></u>	<u><u>542,658</u></u>

The accompanying notes form part of these financial statements.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

---

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act and the Australian Charities and Not-for-profits Commission Act 2012.

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

### **Income Tax**

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

### **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

### **Accounts Receivable and Other Receivables**

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

### **Plant and Equipment**

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

### **Depreciation**

The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

### **Financial Instruments**

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

---

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The association's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

**Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**Impairment of Non-Financial Assets**

At the end of each reporting period the association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

---

### **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

### **Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees at 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 national government bonds with terms to maturity that match the expected timing of cashflows.

### **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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

### **Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### **Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

---

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

**Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

**Grant Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**Other income**

Other income is recognised on an accruals basis when the association is entitled to it.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>1 Revenue and Other Income</b>		
<b>Revenue</b>		
<b>Sales revenue:</b>		
Rendering of services	371,838	348,319
<b>Other revenue:</b>		
Interest received	8,466	11,151
Government Subsidies	556,089	567,356
Other revenue	112,646	-
	<u>677,201</u>	<u>578,507</u>
<b>Total revenue</b>	<u>1,049,039</u>	<u>926,826</u>
<b>Other income</b>		
Loss on Sale of Non-current Assets	(251)	-
<b>Total other income</b>	<u>(251)</u>	<u>-</u>
<b>2 Auditor's Remuneration</b>		
Audit of Accounts	4,850	4,234
	<u>4,850</u>	<u>4,234</u>
<b>3 Profit for the year</b>		
The result for the year was derived after charging / (crediting) the following items:		
Profit before income tax from continuing operations includes the following specific expenses:		
<b>Expenses</b>		
Depreciation of property, plant and equipment	9,177	8,856
Bad Debts Written Off	80	350
<b>Total bad and doubtful debts</b>	<u>80</u>	<u>350</u>
Holiday Pay Provision	(225)	-
Long Service Leave Provision	8,979	(3,474)
Sick & Personal Leave Provision	(19,870)	1,930
Staffing Costs Provision	4,301	(20,926)
Wages Provision	(4,080)	6,561
	<u>(10,895)</u>	<u>(15,909)</u>
<b>Revenue and Other Income</b>		
Loss on Sale of Non-current Assets	(251)	-

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	2020	2019
	\$	\$
<b>4 Cash and Cash Equivalents</b>		
Op Shop Cash Register Float	300	100
Petty Cash	94	61
Business Saver Account	31,168	45,121
Load & Go Op Shop Account	-	345
Sandhurst Trustees Mortgage Fund	538,881	497,031
	<u>570,443</u>	<u>542,658</u>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash on hand	394	161
Cash at bank	570,049	542,497
	<u>570,443</u>	<u>542,658</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	55,592	22,089
	<u>55,592</u>	<u>22,089</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
<b>6 Other Non-Financial Assets</b>		
<b>Current</b>		
Bond - Commercial Rentals	5,160	5,160
Square Clearing Account	-	255
Breeze Toll Account	8	8
Debit and Gift Cards	1,467	1,331
Prepaid Expenses	6,866	6,786
Prepaid Rent	11,633	11,633
	<u>25,134</u>	<u>25,173</u>

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>7 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Leasehold Improvements at Cost	203,698	185,443
Less: Accumulated Depreciation	<u>(171,633)</u>	<u>(169,103)</u>
	32,065	16,340
<b>Total Land and Buildings</b>	<u>32,065</u>	<u>16,340</u>
Plant & Equipment at Cost	24,120	24,120
Less: Accumulated Depreciation	<u>(19,491)</u>	<u>(18,743)</u>
	4,629	5,377
Motor Vehicles at Cost	18,937	36,303
Less: Accumulated Depreciation	<u>(16,136)</u>	<u>(31,989)</u>
	2,801	4,314
Furniture & Fixtures at Cost	43,819	43,819
Less: Accumulated Depreciation	<u>(36,742)</u>	<u>(35,314)</u>
	7,077	8,505
Office Equipment at Cost	62,756	57,656
Less: Accumulated Depreciation	<u>(53,376)</u>	<u>(49,894)</u>
	9,380	7,762
Motor Vehicles at Cost	26,837	26,837
Less: Capital Grant Received	<u>(26,837)</u>	<u>(26,837)</u>
	-	-
<b>Total Plant and Equipment</b>	<u>23,887</u>	<u>25,958</u>
<b>Total Property, Plant and Equipment</b>	<u>55,952</u>	<u>42,298</u>

**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.

	Leasehold Improvements	Office Equipment	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	18,585	18,901	5,588	5,752	48,826
Additions	-	1,642	685	-	2,327
Depreciation expense	<u>(2,248)</u>	<u>(4,275)</u>	<u>(895)</u>	<u>(1,438)</u>	<u>(8,856)</u>
Balance at 30 June 2019	16,337	16,268	5,378	4,314	42,298
Additions	18,255	5,100	-	-	23,354
Disposals	-	-	-	(523)	(523)
Depreciation expense	<u>(2,530)</u>	<u>(4,910)</u>	<u>(747)</u>	<u>(989)</u>	<u>(9,177)</u>
Carrying amount at 30 June 2020	<u>32,062</u>	<u>16,458</u>	<u>4,631</u>	<u>2,801</u>	<u>55,952</u>

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>8 Accounts Payable and Other Payables</b>		
<b>Current</b>		
Trade Creditors	12,959	7,269
Superannuation Payable	2,797	1,673
PAYG Withholding Payable	-	5,351
GST Payable	6,429	8,766
	<u>22,185</u>	<u>23,059</u>
<b>9 Provisions</b>		
Provision for Holiday Pay	36,579	40,883
Provision for Long Service Leave	11,232	2,253
Provision for Sick & Personal Leave	-	19,870
	<u>47,811</u>	<u>63,006</u>
Provision for donation expenditure	-	10,000
<b>Total provisions</b>	<u>47,811</u>	<u>73,006</u>
<b>Analysis of Total Provisions</b>		
Current	47,811	73,006
	<u>47,811</u>	<u>73,006</u>
<b>Employee Provisions</b>		
<p>The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.</p>		
<b>10 Other Liabilities</b>		
<b>Current</b>		
Accrued Charges	4,500	32,768
Revenue in Advance	46	46
Income in Advance	205,441	241,855
	<u>209,987</u>	<u>274,669</u>
<b>11 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	261,484	135,647
Net profit attributable to the association	165,654	125,837
Retained earnings at the end of the financial year	<u>427,138</u>	<u>261,484</u>

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>12 Capital and Leasing Commitments</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	6,501	6,501
Between 12 months and five years	<u>19,503</u>	<u>26,004</u>
	<u>26,004</u>	<u>32,505</u>
<b>13 Cash Flow Information</b>		
<b>Reconciliation of net income to net cash provided by operating activities:</b>		
Profit after income tax	165,654	125,837
Cash flows excluded from profit attributable to operating activities		
<b>Non-cash flows in profit</b>		
Loss on sale of non-current assets	251	-
Depreciation	9,177	8,856
<b>Changes in assets and liabilities</b>		
(Increase) Decrease in trade and other receivables	(33,505)	(2,240)
(Increase) Decrease in prepayments	(79)	(5,596)
Increase (Decrease) in trade and other payables	(874)	(35,255)
Increase (Decrease) in current provisions	(25,196)	15,017
Increase (Decrease) in accrued charges	<u>(64,561)</u>	<u>(38,544)</u>
	<u>50,867</u>	<u>68,075</u>

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

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

---

**14 Committee Meetings and Attendance**

	<b>Committee Meetings</b>	
	<b>Number</b>	
	<b>eligible to attend</b>	<b>Number attended</b>
Barry Thomson	10	9
Paul Woods	6	6
Rob Wall	2	0
Bethany Newman	10	9
Roger Lord	10	9
Kellie Alford	10	9
Graeme Legge	5	5
Catherine Maguire	10	8
Lara Bandarian	5	3
Riley Batchelor	10	7
Erin O'Laughlin	4	2

**15 Covid-19 Impact Summary**

The association developed a business continuity plan in response to the COVID-19 pandemic. The association received additional financial support in the form of the JobKeeper wage subsidy of \$81,000 and the cash flow boost of \$31,282.

**16 Statutory Information**

**The registered office of the association is:**

149 Emerald Monbulk Road

**Emerald Vic 3782**

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

The committee has determined that the association is a reporting entity and that this general purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 15:

1. Present fairly the financial position of Fernlea Community Care Inc as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Fernlea Community Care Inc will be able to pay its debts as and when they fall due.
3. The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

**President:**

  
\_\_\_\_\_

**Treasurer:**

  
\_\_\_\_\_

**Dated this** 29th **day of** October 2020

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF FERNLEA COMMUNITY CARE INC  
A.B.N. 73 846 428 558**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the accompanying financial report of Fernlea Community Care Inc (the association) which comprises the statement of financial position as at 30 June 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and management's assertion statement.

In our opinion, the accompanying financial report of the association for the year ended 30 June 2020 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012 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 Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the auditor independence requirements of 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.

**Responsibilities of the Committee**

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012 and for such internal control as the committee determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibility 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF FERNLEA COMMUNITY CARE INC  
A.B.N. 73 846 428 558**

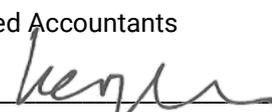
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the committee'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 committee 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 our audit.



**Name of Firm:** **MORTON WATSON & YOUNG AUDIT PTY LTD**  
Chartered Accountants

**Name of Director:**   
**Kerpel S Harnam - Registered Company Auditor**

**Address:** 51 Robinson Street, Dandenong Vic 3175

**Dated this** 4th **day of** November 2020.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Fundraising & Donations	12,986	28,225
Guests Fees	39,015	36,299
Fernlea Life Care Fees	199,910	141,857
Membership Fees	284	470
Op-Shop Income	119,643	141,468
	<u>371,838</u>	<u>348,319</u>
<b>OTHER REVENUE</b>		
Interest Received	8,466	11,151
Recoveries		
Insurance	364	-
Government Subsidies	556,089	567,356
Cashflow Boosting Payments	31,282	-
Jobseeker Received	81,000	-
Loss on Sale of Non-current Assets	(251)	-
	<u>676,950</u>	<u>578,507</u>
	<u>1,048,788</u>	<u>926,826</u>
<b>EXPENDITURE</b>		
Advertising & Promotions	8,404	10,211
Square Fees Account	859	746
Auditor's Remuneration	4,850	4,234
Bad Debts Written Off	80	350
Bank Charges	156	184
Board Expenses	2,650	2,716
Cleaning	2,709	1,470
Computer Expenses	1,846	2,178
Consultancy Fees	-	7,500
Depreciation	9,177	8,856
Electricity & Gas	7,024	7,071
Employee Benefits	8,687	2,126
Equipment	1,954	2,272
Fundraising & Donations	-	2,538
General Expenses	484	95
Guest Expenses	10,611	11,844
Holiday Pay Provision	(225)	-
Insurance	8,197	1,366
Legal Costs	222	-
Long Service Leave Provision	8,979	(3,474)
Provision for specific use	-	10,000

The accompanying notes form part of these financial statements.

**FERNLEA COMMUNITY CARE INC**  
**A.B.N. 73 846 428 558**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Motor Vehicle Expenses	6,306	8,344
Office Supplies	1,146	1,990
Op-Shop Expenses	38,272	38,356
Pallative - General Projects Costs	1,773	-
Photocopier Expenses	4,241	3,958
Postage & Freight	337	179
Printing & Stationery	646	31
Rates & Body Corporate Fees	6,023	3,604
Rent Paid	18,099	18,099
Repairs & Maintenance	16,136	7,742
Security Costs	1,154	921
Sick & Personal Leave Provision	(19,870)	1,930
Staff Recruitment	1,215	-
Staff Training	3,998	2,022
Staffing Costs Provision	4,301	(20,926)
Subscriptions & Registrations	6,964	5,567
Superannuation Contributions	56,689	53,474
Telephone & Internet	5,157	5,168
Volunteer Expenses	1,890	4,170
Wages & Salaries	642,826	576,964
Wages Provision	(4,080)	6,561
Workcover	13,247	10,552
	<u>883,134</u>	<u>800,989</u>
<b>PROFIT (LOSS) FOR THE YEAR</b>	<u>165,654</u>	<u>125,837</u>

The accompanying notes form part of these financial statements.



**Fernlea**  
Caring Flexible Respite

**We extend a huge thankyou to everyone who has been a part of the Fernlea journey over the past year – to our staff, volunteers, guests, clients, customers, members, donors, supporters and partners.**