



Fernlea
Caring Flexible Respite



Annual Report 2022

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

President’s Report	4
CEO’s Report	7
Performance & Remuneration Committee Report	11
Treasurer’s Report	12
Audited Financial Statement	13
Ways to Support Fernlea	39
Thank you	40





Ellen and Victoria - Volunteers at Fernlea Opportunities Shop

President's Report

As we all worked through and then gradually emerged from Covid, we should reflect with gratitude that we remained clear of any major issues. Thanks are due to all those who were flexible and who persevered in our primarily face to face operations while being bound by so many restrictions on contact.

Like all of our staff and volunteers, the board remain committed to providing care in many more ways than the just basic support. Care at Fernlea also describes the compassion and respect we all see while we care for all the needs of our guests and their families and our other clients in what is often a very tough time.

In many respects the year was one of consolidation and work continued on projects such as publication of 'The Last Taboo'. Pakenham grew and has become a stable base from which we are well positioned to grow.

Improving the visibility of Fernlea in the community has been a focus in order to secure a steady stream of new guests and client and to grow opportunities for funding.

During the year we were very fortunate to have minimal change in the staff who are directly facing our guests and clients. There were many changes in the admin staff and it has taken time and some initial turnover while we settled on a robust marketing and communications structure.

In February the Board undertook a review of our strategic plan and has continued to work with the CEO to ensue delivery of strategy through the business plan.

Guests and Carers: To all those who spent time with us at Fernlea House, in Pakenham or in your own homes, we enjoyed being there for you and we hope you had a positive experience.

Our Clients: To all of our valued clients, thank you for choosing us, we understand the privilege of being invited into your homes and being trusted with your care.

Volunteers: We recognise just how tough it has been for you while you have continued within the constraints of lockdowns and related restrictions to all of the ways you contribute to our success. The Board recognises and thanks you sincerely for all your efforts.

Staff: We have wonderful staff who are professional, committed and enthusiastic. They exemplify 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.

One person who deserves a special mention is Nicole Riley who resigned prior to the end of the financial year and will be sadly missed by many at the conclusion of her handover. I'm sure everyone will join with me in wishing her well.

Our Funding Bodies: We are grateful for support from the Federal Department of Health and Ageing which is essential for us to operate and care for people.

Board Members: During the year we welcomed Stuart Smith, Chloe Trevor, Nicky Chung and Daniyela Rob to the Board and we are excited about the progress as they contribute their skills and experience to Fernlea. 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
Fernlea Community Care



Catherine volunteers Reiki sessions at Day Respite Centre in Emerald



King Parrot at Day Respite Centre in Emerald

CEO'S Report

In a year when we had hoped and planned for the effects of COVID to diminish, we instead found that it continued to impact on our work. There is no manual for how to handle a pandemic, especially one that goes on for and is as unpredictable as this one has been. Despite that however, it was in many ways, a productive and positive year.

Some of the highlights include:

- Building and launching a new website
- Upgrading the Pakenham kitchen
- Purchasing a new bus with eye-catching new signage
- Publishing our new book 'In the End; a practical guide to dying'
- Finalising development of three new projects: a carer support group, 'Reflections' memoirs program, and FERNS volunteer home visiting program

Day Respite

As an essential service, we continued to deliver our day respite service throughout the lockdowns. Our numbers fluctuated, largely due to the fact that our guests, many of whom have an already-compromised immune system, felt very vulnerable and so wanted to isolate and not come back into a group setting, even when lockdown had finished. It was reassuring to know that the sustained effort by our staff and volunteers to provide a safe, caring and quality service was appreciated when we received a note from a guest's carer saying 'The team are absolutely amazing... I cannot speak more highly of them. Absolutely amazing service.'

As recipients of federal aged care funding, we are required to be audited every three years by the Aged Care Quality and Safety Commission.

This was delayed due to Covid and while the Commission focused its attention on addressing the serious issues identified within residential aged care, however our team continued to spend significant time preparing for the audit, which we have been advised will take place in August 2022. While it is an onerous task to prepare for and undergo an audit, we look at it as something positive - an opportunity to continually improve what we do and to give confidence to the community about the quality of our service. A huge thank you to Nurse Manager Pat Berry, Pakenham Nurse Jane Joss, Client Services Coordinator Prue Donaldson and their whole team for their dedicated work throughout the year.

Looking to the future, as part of its' response to the aged care Royal Commission, the federal government is reviewing the way aged care services are delivered and funded, so during the year it was announced that in July 2024 a new program called 'Support at Home' will start. This will replace a number of current programs including the Commonwealth Home Support Program (CHSP), under which our day respite service is funded. As part of that process, our model of funding will change, however full details are not yet available as to what that will look like.

In-Home Care

As another of our essential services, we continued to provide in-home care during the pandemic. Unfortunately, we didn't see the growth in in-home care that we had planned for, again impacted largely by Covid and also an increasingly competitive care sector with lots of new players entering the market. Despite this, the business contributed almost \$30,000 to our bottom line.

Fernlea's reputation and model of care however provide a personalised, niche service that differentiates it from many other service providers, and while word-of-mouth has been a really successful marketing channel, we are confident that the investment we are making to increase our marketing capabilities, will bear fruit in the coming months and years.

I want to make special mention of our Fernlea PCAs who have worked so hard over a sustained period to keep our in-home clients safe and cared for, and their carers supported.

Op Shop

While the shop was closed for some months during the year, it continued to be not only a great income stream but also to provide a strong presence in our local community for the Fernlea brand and the work we do. While the shop was closed, Shop Manager Sharon Donovan kept online sales going so that we maintained some income, and when we reopened, she has worked hard to build up the number of volunteers, who we rely on to keep the shop open.



Emerald garden

Administration & Management

Admin staff returned to the office during the year, after many months of working from home. This was a gradual process with 'on again/off again' lockdowns, but as many other organisations and businesses have done, we continue to offer flexible work practices that meet the needs of the organisation and staff. It was good to finally see each other face-to-face after more than a year of Zoom meetings, and to start rebuilding a strong team culture.

Covid had a major impact on our income, due to the closure of our shop during lockdowns, reduced in-home clients and day respite guests, and reduced capacity to grow and expand our services as we had planned. In our annual budget, we had planned for a deficit, to invest in new resources and build our capacity into the future. Despite the fact our income was reduced, we did manage to control our expenses, and so we achieved a smaller deficit than had been budgeted for.

Fernlea has traditionally had a low staff turnover, but as many organisations and businesses have experienced, the pandemic, extended lockdowns and isolation caused people to rethink their lives and priorities.

After seven years with Fernlea, our Administration Manager Nicole Riley resigned to take some time out of the workforce. Fortunately for us, she agreed to stay on as a casual until we are able to find someone new for the role. Our Finance administrator Emi Rubio decided not to return to work after her maternity leave, but we were able to make a smooth transition as Jackie Talbot, who had been filling in for Emi, accepted the permanent role. Sasha de Silva, who had held several project roles over almost three years, and was interim Marketing & Communications Manager, also resigned to take up an exciting new opportunity. We thank all of them for their valuable contribution to Fernlea over many years.

We are now starting to feel the weight of Covid lifting and we have renewed confidence that we can put new plans in place. Our current strategic plan ends in 2023, and so this is the right time to look to the future. The Board and I, supported by our staff and volunteers will soon start the process of putting together a new Strategic Plan beyond 2023.

Volunteers

As noted in last year's report, Volunteering Australia research showed that volunteering dropped by more than 25% across Australia after Covid. We also found that other factors impacted on the number of volunteers, including nervousness about returning to a group setting, taking the opportunity to travel once borders reopened and returning to the paid workforce because of the rising cost of living. Despite this, our loyal group of volunteers continued to support our work especially in the shop, day respite and on the Board.

We continued to recognise the contribution of our volunteers throughout the year. During National Volunteer Week in May we held morning teas and gave each of our volunteers a pin, and for International Volunteer Day in December, we again held a Christmas lunch, an event put on by the staff to personally thank our volunteers.

The successes we achieved throughout the year, sometimes under trying circumstances but always with professionalism and enthusiasm, were the result of a team effort, for which I am grateful.

My thanks to the Board for their contribution, expertise and guidance throughout the year. Again, and without exception, I want to thank all Fernlea staff and volunteers – they are our greatest asset and, in many ways, are often the key to our success.

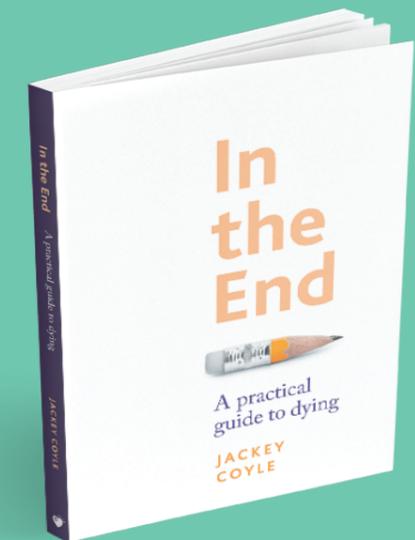
And finally, a huge thank you to all those who support Fernlea: our funding bodies, guests, clients, members, donors, local businesses, organisations and individuals who see the value in what we do and embrace us.

Sue McIvor, CEO
Fernlea Community Care Inc

FERNLEA'S NEW BOOK

Helping to open up a conversation about dying and death

- A book for for everyone, not just those at the end of their life
- Practical resources for planning
- Information to help you understand what's happening.



Performance & Remuneration Committee Report

The Performance and Remuneration Committee is responsible for CEO performance and remuneration review. The committee comprises Board members Kellie Alford, Nicky Chung, and Paul Woods.

This year Nicky Chung was instrumental in designing and implementing a new annual CEO performance review.

The intent of the new review is to create a Balanced Scorecard approach. This is a management system that provides feedback on both internal business processes and external outcomes to continuously improve strategic performance and results. The balanced scorecard establishes two-way communication about priorities and values. This new management system improves the connection of the CEO's performance to the vision, mission, values and strategy. I would like to thank Nicky for her time and effort on developing this review.

The CEO's remuneration review is performed separately to the CEO's performance review. A remuneration framework has been developed over the years that the Board employs utilising the Probono Salary Survey 2022 in relation to NFP market rates. The remuneration review takes into account the areas that the CEO is responsible for, the sector, operating budget and number of employees. Whilst this is primarily associated with paying a fair market rate it also recognises the CEO's contribution to significant improvements in Fernlea's financial position, productivity, efficiencies and growth.

Kellie Alford
Director

Treasurer's Report

FERNLEA COMMUNITY CARE INC.
Treasurer's Report for the year ending June 2022

Income and Expenditure Report

Another unusual year affected as it was by lockdowns. This caused us to lose sales from the Shop of Opportunities and meant we were unable to do much in the way of fundraising. Overall our revenue was \$147,523 down on budget. We were able to make savings in our costs and offset this revenue loss ending up on budget.

It may seem odd to budget for a loss but the Board had made the decision to improve the quality of the service we offer and to expand it. This required an initial investment for one year which under the circumstance was postponed offsetting the lack of revenue. The budget for this current year is showing a small surplus even allowing for this investment.

Some details will add to the picture.

We received a bigger than expected increase in our federal grant, which was nice. The whole funding situation is being reviewed by the Government and how this will affect us, we are finding it hard to ascertain. In the meantime we continue to assume an approximately similar level of grant for 2023-24. In-home Care has taken a hit recently with the passing of two long term clients. We are working to increase this area and it still made us \$28,429 in the year.

The shop, despite the closures achieved a result of \$32,246 surplus so both arms are a great support to the work we do.

Balance Sheet

The State Government Palliative Grant has now been used and completed and the programs are underway so the unused funds are no longer in the Balance Sheet. Everything you see there is now ours and not subject to possible recall. Our reserves therefore are sufficient for our operations

Roger Lord
Treasurer 11/10/2022

FERNLEA COMMUNITY CARE INC

ABN: 73 846 428 558

**Financial Report For The Year Ended
30 June 2022**

**FERNLEA COMMUNITY CARE INC
ABN : 73 846 428 558**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022**

CONTENTS	Page
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
True and Fair Certification by Members of the Committee	17
Independent Auditor's Report	18
Income and Expenditure Statement	21

COMMITTEE'S REPORT

Your committee members submit the financial report of the Fernlea Community Care Inc for the financial year ended 30 June 2022.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Paul Woods	President
Roger Lord	Treasurer
Kellie Alford	Committee Member
	Vice-President (from 22-4-22)
Rhea Choudhary	Committee Member
Stuart Smith (Started 1-10-21)	Committee Member
Chloe Trevor (Started 1-10-21)	Committee Member
Nicky Chung (Started 1-10-21)	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 providing psychosocial support.

Significant Changes

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

Operating Result

The loss after providing for income tax amounts to \$62,172

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

President:  

Paul Woods

Treasurer:  

Roger Lord

Dated this 3rd day of November 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2022

	Note	2022 \$	2021 \$
Income			
Revenue	2	1,082,274	1,237,230
Other income	2	(516)	(4,338)
		<u>1,081,758</u>	<u>1,232,892</u>
Expenditure			
Advertising expenses		(17,141)	(3,849)
Administration expenses		(56,578)	(40,962)
Auditors' remuneration	3	(4,150)	(4,550)
Bad and doubtful debt expenses		-	-
Depreciation and amortisation expenses		(25,085)	(15,832)
Employee benefit expense		(900,729)	(800,875)
Guest expenses		(17,832)	(17,135)
Motor vehicle and travelling expenses		(8,229)	(10,859)
Occupancy expenses		(57,417)	(61,517)
Op-shop expenses		(36,036)	(39,754)
Volunteer expenses		(2,111)	(2,773)
Other expenses		(18,622)	(31,672)
Total expenses	4	<u>(1,143,930)</u>	<u>(1,029,778)</u>
Surplus for the year		<u>(62,172)</u>	<u>203,114</u>
Other comprehensive income			
Total comprehensive income for the year		<u>(62,172)</u>	<u>203,114</u>

FERNLEA COMMUNITY CARE INC
ABN : 73 846 428 558

STATEMENT OF FINANCIAL POSITION
AS AT
30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	517,477	739,524
Accounts receivable and other debtors	6	18,136	21,027
Other financial assets	7	32,511	35,059
TOTAL CURRENT ASSETS		<u>568,124</u>	<u>795,609</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	135,843	70,750
TOTAL NON-CURRENT ASSETS		<u>135,843</u>	<u>70,750</u>
TOTAL ASSETS		<u>703,967</u>	<u>866,359</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	8,535	28,219
Employee provisions	10	52,832	33,449
Other current liabilities	11	50,086	156,530
TOTAL CURRENT LIABILITIES		<u>111,452</u>	<u>218,198</u>
NON-CURRENT LIABILITIES			
Employee provisions	10	24,433	17,908
TOTAL NON-CURRENT LIABILITIES		<u>24,433</u>	<u>17,908</u>
TOTAL LIABILITIES		<u>135,885</u>	<u>236,106</u>
NET ASSETS		<u>568,081</u>	<u>630,253</u>
EQUITY			
Accumulated Surplus	12	568,081	630,253
TOTAL EQUITY		<u>568,081</u>	<u>630,253</u>

The accompanying notes form part of the financial statements

FERNLEA COMMUNITY CARE INC
ABN : 73 846 428 558

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

	Note	Accumulated Surplus \$	Total \$
Balance at 1 July 2020		427,138	427,138
Profit attributable to members		203,114	203,114
Balance at 30 June 2021		<u>630,252</u>	<u>630,252</u>
Profit attributable to members		(62,172)	(62,172)
Balance at 30 June 2022	12	<u>568,081</u>	<u>568,080</u>

The accompanying notes form part of the financial statements

FERNLEA COMMUNITY CARE INC
ABN : 73 846 428 558

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED
30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		1,085,363	1,178,431
Payments to suppliers and employees		(1,220,029)	(1,005,175)
Interest Received		2,797	3,957
Net cash provided by/(used in) operating activities	14	(131,869)	177,213
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		2,307	-
Payments for property, plant and equipment		(92,485)	(8,132)
Net cash provided by/(used in) investing activities		(90,178)	(8,132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		-	-
Proceeds from borrowings		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash held		(222,047)	169,081
Cash and cash equivalents at beginning of financial year		739,524	570,443
Cash and cash equivalents at end of financial year	6	517,477	739,524

The accompanying notes form part of the financial statements

FERNLEA COMMUNITY CARE INC
ABN : 73 846 428 558

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

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared to meet the reporting requirements of the Associations Incorporation Reform Act 2012 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.

Accounting Policies

(a) Income Tax

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

(b) 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.

(c) 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.

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

(d) Property, 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.

(e) 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.

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.

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

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.

(f) 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.

(g) 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.

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

(h) Employee Provisions

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.

(i) 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.

(j) 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.

(k) 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.

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

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.

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

Note 2 Revenue and Other Income

	2022	2021
	\$	\$
Revenue		
Sales revenue:		
— Rendering of services	312,908	462,689
Other revenue:		
— Interest received	2,797	3,957
— Government Subsidies	740,132	612,422
— Other Revenue	26,437	158,162
	<u>769,366</u>	<u>774,541</u>
Total revenue	<u>1,082,274</u>	<u>1,237,230</u>
Other income		
— Loss on Sale of Non-current Assets	(516)	(4,338)
Total other income	<u>(516)</u>	<u>(4,338)</u>

Note 3 Auditor's Remuneration

	2022	2021
	\$	\$
Audit of Accounts	<u>4,150</u>	<u>4,550</u>

Note 4 Profit for the Year

The result for the year was derived after charging / (crediting) the following items:

	2022	2021
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	25,085	15,832
Bad Debts Written Off	-	-
Total bad and doubtful debts	<u>-</u>	<u>-</u>
Holiday Pay Provision	-	12,416
Long Service Leave Provision	6,525	6,676
Sick & Personal Leave Provision	-	-
Staffing Costs Provision	-	7,800
Annual Leave Provision	19,383	-
	<u>25,908</u>	<u>26,892</u>
Revenue and Other Income		
Loss on Sale of Non-current Assets	<u>(516)</u>	<u>(4,338)</u>

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

Note 5 Cash and Cash Equivalents

	2022	2021
	\$	\$
Op Shop Cash Register	300	300
Petty Cash	13	13
Business Saver Account	21,594	26,417
Sandhurst Trustees	495,570	712,795
	<u>517,477</u>	<u>739,524</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash

Cash on hand	313	313
Cash at bank	517,164	739,211
	<u>517,477</u>	<u>739,524</u>

Note 6 Trade and Other Receivables

	2022	2021
	\$	\$
Current		
Trade Debtors	18,136	21,027
	<u>18,136</u>	<u>21,027</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

Note 7 Other Non-Financial Assets

	2022	2021
	\$	\$
Current		
Bond - Commercial Rentals	10,968	13,963
Breeze Toll Account	8	8
Debit and Gift Card	1,379	1,780
Prepaid Expenses	10,332	7,845
Prepaid Rent	6,004	11,463
Stock on Hand	3,415	-
Square Balance	405	-
	<u>32,511</u>	<u>35,059</u>

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

Note 8 Property, Plant and Equipment

	2022	2021
	\$	\$
Land and Buildings		
Leasehold Improvements at Cost	202,662	201,557
Less: Accumulated Depreciation	(172,248)	(173,051)
	<u>30,414</u>	<u>28,506</u>
Total Land and Buildings	<u>30,414</u>	<u>28,506</u>
Plant & Equipment at Cost	25,409	24,561
Less: Accumulated Depreciation	(18,017)	(17,984)
	<u>7,392</u>	<u>6,577</u>
Motor Vehicles at Cost	107,613	45,774
Less: Accumulated Depreciation	(23,319)	(24,288)
	<u>84,294</u>	<u>21,486</u>
Furniture & Fixtures at Cost	38,128	40,176
Less : Accumulated Depreciation	(33,559)	(34,522)
	<u>4,569</u>	<u>5,654</u>
Office Equipment at Cost	36,868	48,227
Less: Accumulated Depreciation	(27,694)	(39,700)
	<u>9,174</u>	<u>8,527</u>
Total Plant and Equipment	<u>105,429</u>	<u>42,244</u>
Total Plant, Property and Equipment	<u>135,843</u>	<u>70,750</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 Improve- ments	Office Equipment	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	32,062	16,458	4,631	29,637	82,788
Additions	1,159	4,227	2,745	-	8,131
Disposals	(2,044)	(2,147)	(146)	-	(4,337)
Depreciation expense	(2,673)	(4,356)	(652)	(8,151)	(15,832)
Carrying amount at 30 June 2021	<u>28,506</u>	<u>14,181</u>	<u>6,577</u>	<u>21,487</u>	<u>70,750</u>
Additions	4,844	4,250	2,615	80,775	92,485
Disposals	(176)	(228)	(111)	(1,791)	(2,307)
Depreciation expense	(2,760)	(4,461)	(1,688)	(16,177)	(25,085)
Carrying amount at 30 June 2022	<u>30,414</u>	<u>13,742</u>	<u>7,392</u>	<u>84,294</u>	<u>135,843</u>

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

Note 9 Accounts Payable and other Payables

	2022	2021
	\$	\$
Current		
Accounts payable	6,869	3,383
Superannuation Payable	-	3,092
GST Payable	(5,736)	6,694
PAYG Withholding	7,402	15,050
	<u>8,535</u>	<u>28,219</u>

Note 10 Employee Provisions

	2022	2021
	\$	\$
Provision for Holiday Pay	52,832	33,449
Provision for Long Service Leave	24,433	17,908
Total provisions	<u>77,265</u>	<u>51,357</u>
Analysis of employee provisions		
Current	52,832	33,449
Non-Current	24,433	17,908
	<u>77,265</u>	<u>51,357</u>

Employee Provisions

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.

Note 11 Other Liabilities

	2022	2021
	\$	\$
Current		
Accrued Charges	50,086	4,500
Income in Advance	-	152,030
	<u>50,086</u>	<u>156,530</u>

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

Note 12 Retained Earnings

	2022	2021
	\$	\$
Retained earnings at the beginning of the financial	630,252	427,138
Net profit attributable to the association	(62,172)	203,114
Retained earnings at the end of the financial year	<u>568,081</u>	<u>630,252</u>

Note 13 Capital and Leasing Commitments

	2022	2021
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than 12 months	39,585	3,696
Between 12 months and five years	10,667	10,788
	<u>50,251</u>	<u>14,484</u>

Note 14 Cash Flow Information

	2022	2021
	\$	\$
Reconciliation of cash flows from operating activities		
Profit after income tax	(62,172)	203,114
Cash flows excluded from profit attributable to operating		
Non-cash flows in profit		
Loss on sale of non-current assets	516	4,338
Depreciation expense	25,085	15,832
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	2,891	34,569
(Increase)/decrease in prepayments & other assets	2,714	(810)
Increase/(decrease) in trade and other payables	(19,684)	6,034
Increase/(decrease) in provisions	25,908	3,547
Increase/(decrease) in income in advance & other liabilities	(107,127)	(89,411)
	<u>(131,869)</u>	<u>177,213</u>

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

Note 15 Committee Meetings and Attendance

	Committee Meetings	
	Number eligible to attend	Number attended
Paul Woods	10	10
Roger Lord	10	10
Kellie Alford	10	9
Rhea Choudhary	10	6
Stuart Smith	8	8
Chloe Trevor	8	8
Nicky Chung	8	6

Note 16 Covid-19 Impact Summary

The association developed a business continuity plan in response to the COVID-19 pandemic. The association received \$0 in JobKeeper in 2021-2022, as this payment ceased in 2020-2021.

Note 17 Association Details

The registered office of the association is:
1 Main Street,
Pakenham VIC 3810

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 1 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 17:

1. Present fairly the financial position of Fernlea Community Care Inc as at 30 June 2022 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:



Paul Woods



Treasurer:



Roger Lord



Dated this 3rd day of November 2022

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Fernlea Community Care Inc (the association), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, 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 2022 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.

- i. giving a true and fair view of the association's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

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 (including Independence Standards)* (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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012 (Vic) and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FERNLEA COMMUNITY CARE INC.
ABN : 73 846 428 558**

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
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FERNLEA COMMUNITY CARE INC.
ABN : 73 846 428 558**

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



Name of Director: Kerpal S Harnam - Registered Company Auditor

Address: 480 Collins Street, Melbourne VIC 3000

Dated this 3rd day of November 2022.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FERNLEA COMMUNITY CARE INC.
ABN : 73 846 428 558**

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
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FERNLEA COMMUNITY CARE INC.
ABN : 73 846 428 558**

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



Name of Director: Kerpal S Harnam - Registered Company Auditor

Address: 480 Collins Street, Melbourne VIC 3000

Dated this 3rd day of November 2022.

FERNLEA COMMUNITY CARE INC.
ABN : 73 846 428 558

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2022

	2022	2021
	\$	\$
REVENUE		
Operating activities:		
Fundraising & Donations	4,582	13,269
Guests Fees	44,412	35,050
Fernlea Life Care Fees	131,960	285,716
Membership Fees	309	264
Op-Shop Income	131,645	128,390
	<u>312,908</u>	<u>462,689</u>
OTHER REVENUE		
Interest Received	2,797	3,957
Recoveries - Insurance	-	1,797
Recoveries - Reimbursement	2,922	3,891
Government Subsidies	740,132	612,422
Cashflow Boosting Payments	-	49,522
Jobseeker Received	13,906	99,000
Gain on Disposal of Non-current Assets	9,609	-
Loss on Sale of Non-current Assets	-	(4,338)
Other Misc Income	-	821
Rental Income	-	3,131
	<u>769,366</u>	<u>770,203</u>
	<u>1,082,274</u>	<u>1,232,892</u>
EXPENDITURE		
Advertising & Promotions	17,141	3,849
Auditor's Remuneration	4,150	4,550
Bad Debts Written Off	-	-
Bank Charges	387	221
Board Expenses	1,091	930
Cleaning	4,993	4,130
Computer Expenses	13,786	2,352
Depreciation	25,085	15,832
Electricity & Gas	8,370	5,048
Employee Benefits	5,150	6,506
Equipment	6,889	4,329
General Expenses	408	435
Guest Expenses	17,832	17,135
Holiday Pay Provision	19,383	12,416
Insurance	10,351	8,949
Legal Costs	6,111	5,010
Long Service Leave Provision	6,525	6,676
Loss on Disposal of Fixed Asset	516	-
Motor Vehicle Expenses	8,229	10,859

FERNLEA COMMUNITY CARE INC.
ABN : 73 846 428 558

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2022

Office Supplies	1,056	1,750
Op-Shop Expenses	36,036	39,754
Pallative - General Projects Costs	18,426	31,672
Photocopier Expenses	4,209	4,320
Portable Long Service Leave Levies	4,312	2,254
Postage & Freight	607	-
Printing & Stationery	-	-
Rates & Body Corporate Fees	5,188	7,610
Rent Paid	32,002	25,532
Repairs & Maintenance	4,927	17,104
Security Costs	1,309	1,275
Sick & Personal Leave Provision	-	-
Square Fees Account	1,235	1,288
Staff Recruitment	4,906	1,780
Staff Training	1,654	1,100
Staffing Costs Provision	-	7,800
Subscriptions & Registrations	5,886	7,059
Superannuation Contributions	70,681	62,990
Telephone & Internet	5,190	5,138
Volunteer Expenses	2,127	2,773
Wages & Salaries	768,857	680,342
Workcover	19,441	19,011
	<u>1,144,446</u>	<u>1,029,778</u>
PROFIT (LOSS) FOR THE YEAR	<u>(62,172)</u>	<u>203,114</u>

Ways to support Fernlea

Would you like to support Fernlea Community Care?
There are a number of ways you can!

Become a volunteer

Fernlea House 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.

Become a member

Becoming a member and paying an annual membership fee of \$20.00 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, go to our website, www.fernlea.com. and fill in a Membership Nomination Form.

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 go to our website, www.fernlea.com.au. All donations over \$2.00 are tax deductible.



Suzi Clarke - PCA



Lee Moon - volunteer at Day Respite Centre in Emerald



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.

We couldn't have done it without you.

www.fernlea.com.au