fina

Annual Report

2019/2020

A Community of Care

As at June 30, 2020, Fina comprised:

15 RESIDENTIAL SUPPORT LOCATIONS

4 OWNED BY FINA

10 IN-HOME ACCOMMODATION

1 SDA (SPECIALISED DISABILITY ACCOMMODATION)

33 CLIENTS

28 SIL (SUPPORTED INDEPENDENT LIVING)

3 SDA (SPECIALISED DISABILITY ACCOMMODATION)

2 ADL (ASSISTED DISABILITY LIVING)

105 STAFF

11 MANAGEMENT AND ADMIN

2 KITCHEN

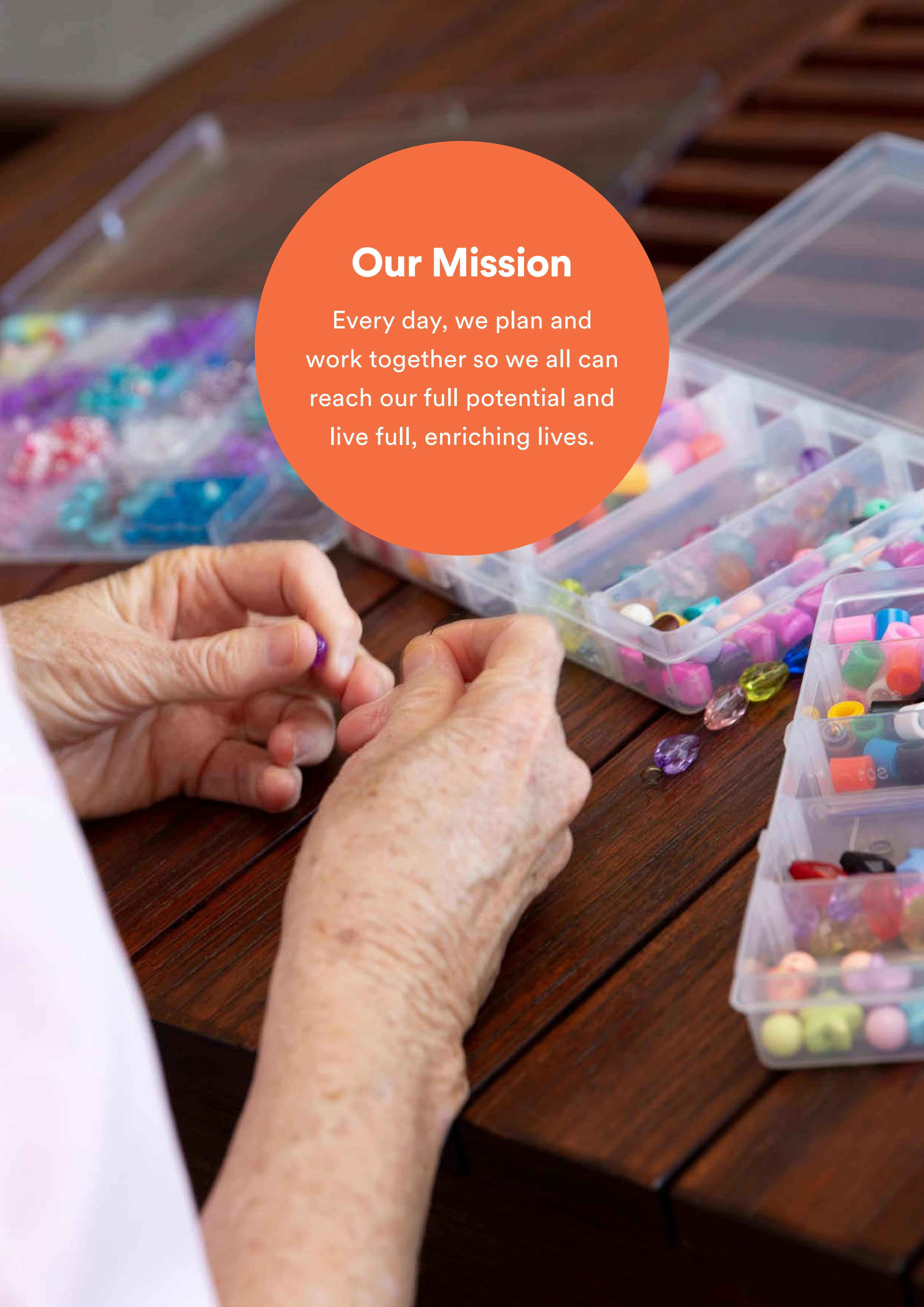
5 HOUSE MANAGERS

87 SUPPORT WORKERS

Fina is a non-government, not-for-profit, NDIS provider of supported accommodation and respite servicing south-east Queensland (Northern Suburbs, Moreton Bay and Sunshine Coast regions).

SCOPE Inc trading as Fina Australia

30-54 Aquatic Centre Drive
Burpengary Queensland 4505
Post PO Box 621, Morayfield QLD 4506
Phone 07 5428 0155
Email fina@fina.org.au
fina.org.au
ABN 73 534 715 669



Our Mission

Every day, we plan and work together so we all can reach our full potential and live full, enriching lives.

We believe that a person with disability can be empowered, can choose and can lead a satisfying life enriched by achievement, love and laughter.

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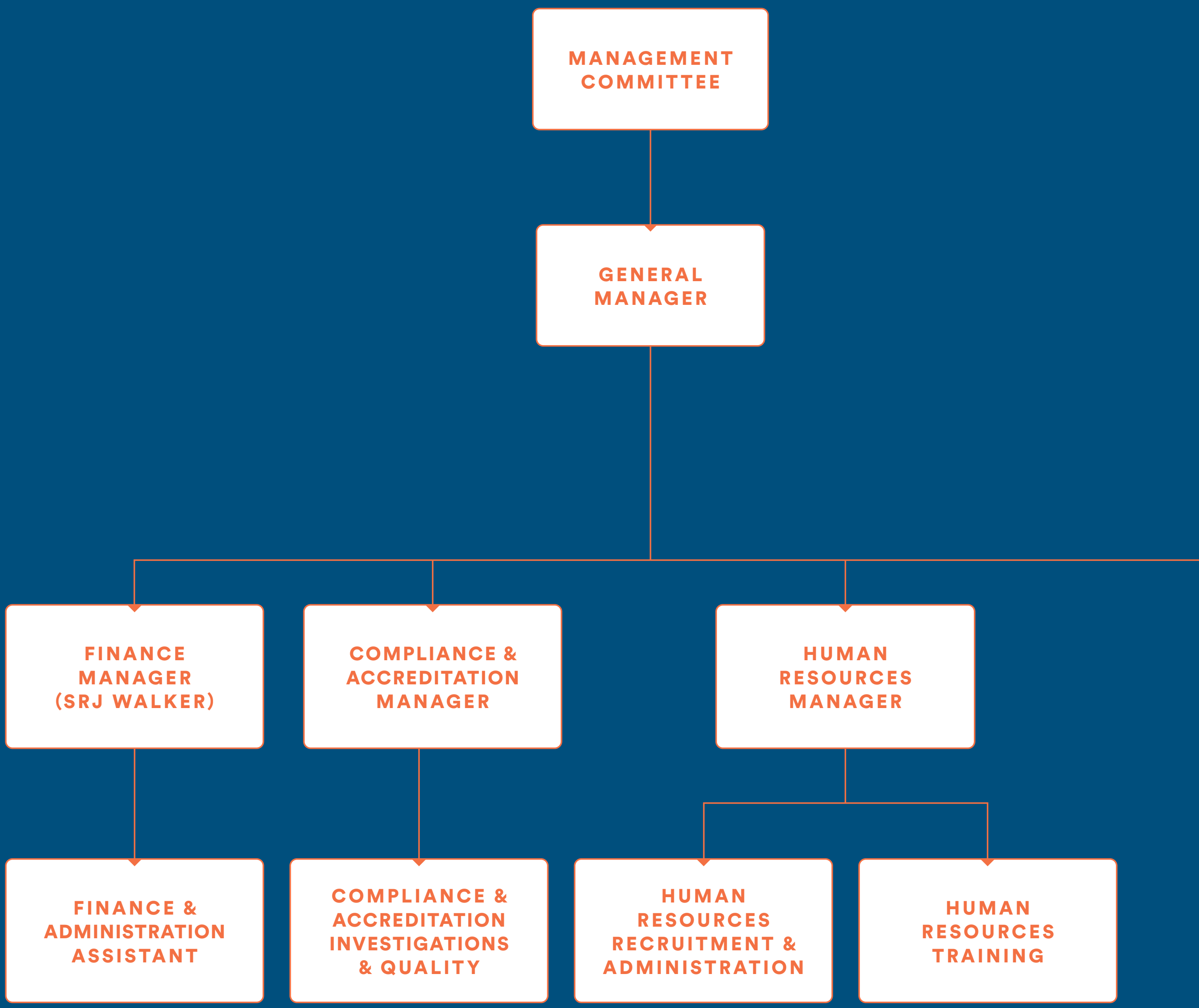
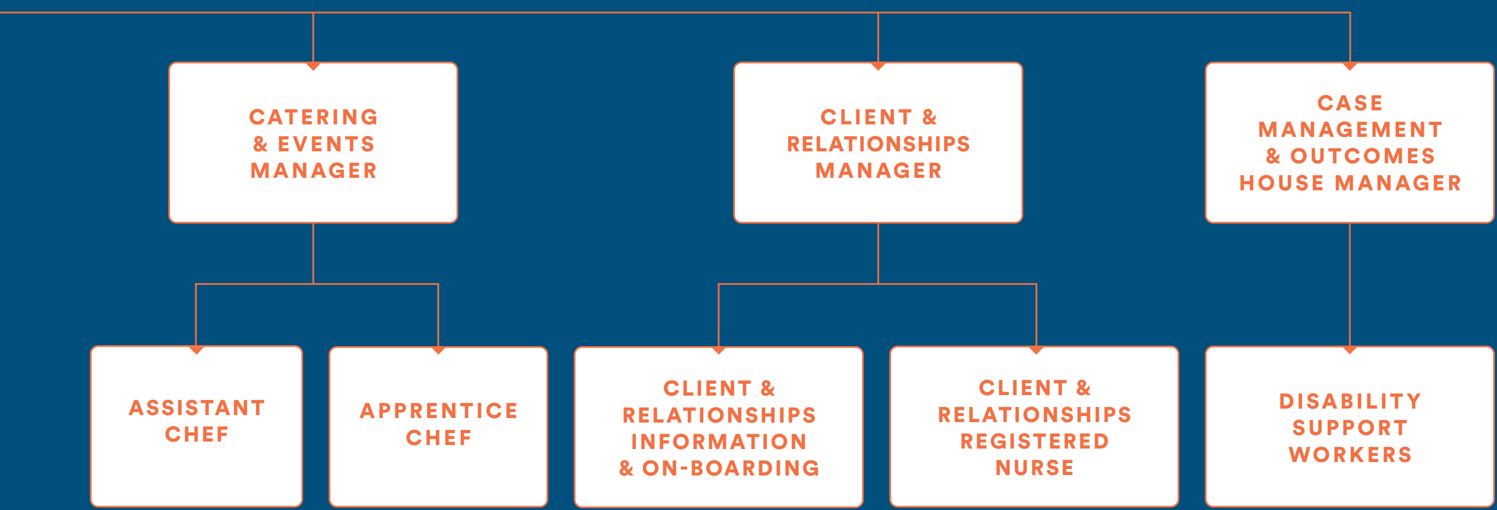
We are inspired by the life of St Fina.

Fina was born in 1238 in the small hill-town of San Gimignano in Tuscany. At the age of 10 years, she developed a paralytic illness and she spent the remainder of her life on a bed made from a wooden pallet. She died in 1253 at the young age of 15. Miracles have been attributed to her relics which are kept in a chapel in San Gimignano where she is still venerated.

Our Organisation




CATERING & EVENTS MANAGER
CLIENT & RELATIONSHIPS MANAGER
CASE MANAGEMENT & OUTCOMES HOUSE MANAGER
ASSISTANT CHEF
APPRENTICE CHEF
CLIENT & RELATIONSHIPS INFORMATION & ON-BOARDING
CLIENT & RELATIONSHIPS REGISTERED NURSE
DISABILITY SUPPORT WORKERS

Financial Year 2019/2020 Overview

The FY 2019/2020 was marked by a significant improvement in Fina's financial position – from a deficit of $647,808 at June 30, 2019 to a surplus of $812,346 at June 30, 2020.

This significant turnaround was achieved by a disciplined program of cost reductions and by maximising revenue streams after a review of Fina's service agreements in the context of NDIS approved fees and charges.

Significant savings were made by assuming internal responsibility for staffing and rostering. Fina dispensed with the services of the labour hire organisation, Edmen, which hitherto provided 66% of our workforce. Along with these savings, Fina's internal HR capacity continues to deliver cost-efficiencies by employing and retaining people who share our values and who are committed to our planning and quality frameworks.

In the financial year 2019/2020, the Management Committee approved the allocation of significant funds to capital expenditure. This 'cap-ex' facilitated the acquisition of and/or improvement to our assets (buildings and equipment).

During the year, the Morayfield rented office was relinquished. Administrative and other important Fina activities were consolidated in refurbished, re-purposed buildings at Fina Park.

Notwithstanding significant capital expenditure and the redundancy and separation packages required to rebuild Fina's HR capacity, the FY 2019/2020 was marked by an uplift in the organisation's equity position to $2.28 million.

President's Report

I am pleased to present the Annual Report for SCOPE Inc (trading as Fina Australia) for the financial year 2019-2020.

Whereas the President's Report for the year 2018-2019 was built around the theme "Decisive Action", the year 2019-2020 was marked by "The Rebuild".

I'm delighted to report that the "decisive action" we took has resulted in us all achieving very significant milestones in our rebuilding process. It is hard to believe just how far we have come in such a short time. Our progress is in no small measure due to a combination of hard decisions and hard work on the part of absolutely everybody in the organisation – our Management Committee, our General Manager John Hunter, our senior leadership team, our staff, our suppliers and contractors and, indeed, the whole Fina community.

> *We are succeeding and we are achieving.*

The highest profile milestone, if not the most important, on our rebuilding journey must be our new brand and corporate identity. Rebadging our organisation as Fina Australia has freed us from the past, enabling us to focus on rebuilding our reputation, improving our corporate culture, lifting the performances of our teams and attending to our facilities and infrastructure. Most importantly, our new identity ensures that our focus can remain on the happiness and well-being of our valued clients. This, after all, is our overriding objective.

Covid-19

The Covid-19 pandemic continues to present a very significant challenge to Queensland, Australia and indeed, the entire world. There is no doubt that the pandemic has had a deleterious effect on businesses and organisations right around the country.

> *Fina is no different.*

However, the Fina community can be very proud of the way we responded, professionally, compassionately and strategically to the pandemic. Fina's response to Covid-19 continues to be marked by careful planning, clear communication and a set of initiatives which mark Fina out as a leader in the management of the pandemic in the disability sector.

It has not been easy and our rigorous approach demanded that we all look at the "big picture" rather than the individual to protect our loved ones. Fina will continue to take every precaution to ensure the well-being of our clients, our families, our staff members, our suppliers and our business associates. I'm grateful to the Fina community for its generosity and its understanding in the face of the unprecedented challenges presented to us by the Covid-19 pandemic.

We walk alongside each other on life's journey with trust and confidence.

We choose to work at Fina because we want our work to make a difference.

Rebuilding Assets and Infrastructure

The relationship between our environment and our well-being is unarguable. Simply put, the very significant progress we have made this year with regard to our infrastructure and assets is reflected in their increased use by our clients and community, and in the evident happiness and the well-being of our clients.

Our headquarters at Burpengary is now known as Fina Park – and it's a place we can all be very proud of. Our administration offices are now professionally equipped and well presented and the attractive new signage helps staff and visitors alike to find their way around Fina Park.

We have also made significant changes to the residential facilities at Fina Park. Greenwattle house has been refurbished and divided into two four-bedroom houses, Mary House and Dionysius House. These two names commemorate the life and generosity of Mary Dionysius, one of our heritage benefactors.

In addition, the southern wing of our main administration and kitchen building has now re-emerged at Tandara House. What were previously empty, poorly presented rooms is now a four-bedroom, spacious home for our clients.

The underutilised commercial kitchen has now been brought back to life by our Executive Chef Michael and is the engine-room for our client meals program and the new Fina Café. And we are so very proud of our community garden where clients and staff work together to grow fresh fruit and vegetables for the kitchen.

It is early days yet but we are building a food and catering service, utilising the Fina Café and produce grown in our Fina community garden. It is expected that this initiative will become revenue positive, funding even further improvements in facilities and supporting more activities for our clients.

Now that Fina Park is an attractive and well-resourced facility, we are able to develop and deliver activities which can be enjoyed by clients, families and staff members. Club Fina offers activities such as cooking, gardening and arts classes – all focused on improving the lives of our clients by developing personal capacity, socialisation skills and independence. These activities form part of Fina's commitment to our clients' "Progressive Lifestyles".

Rebuilding the Culture

Organisational culture has been described as a shared way of doing something with a passion. I am delighted to report that the financial year 2019/2020 has been marked by a very significant improvement in both the passion and the commitment we bring to the business of Fina.

Our Fina Code informs our values-based approach. It's predicated on our corporate ethics and provides the foundation for everything we do. To ensure our corporate culture is not just words, Fina has recently established the position of "Client Relationships Manager" who is wholly responsible for ensuring Fina's organisation-wide commitment to a "client-centric" approach.

Our recruitment strategy is based on our planning and seeking out people who are prepared to work with us and deliver on the planning. We expect our staff to understand and to commit to our core values and we continue to welcome new people to our organisation. Many stay, excited by what they can be part of. Some find, after a short period of time, the Fina approach is not for them.

As we refresh our staff and management team, new people bring a new focus and fresh eyes and ears to what we do as an organisation – and how we do it. These new eyes and new ears are incredibly valuable as we continue to rebuild.

Planning and the Rebuild

As I foreshadowed in the President's Report of 2018/19, this year has marked the refinement and establishment of our planning regime. Fina's Progressive Lifestyle Strategy and our Fortnight Delivery Planning continue to develop and mature. Our planning regime is organic so we expect it to move and change as we discover, by lived experience, what works best for the client.

One of the more impressive aspects of Fina's planning regime is "My Stuff" – a transitioning/NDIS onboarding system underpinned by our clinical governance framework.

For each client, "My Stuff" comprises four elements:

- My Supports
- My Health
- My Behaviour
- My Progressive Lifestyle

Capturing the data in all these categories and ensuring its ongoing integrity informs our operational structure and enables our clients to be "on-boarded" according to NDIS standards and to have all aspects of their service agreement monitored in "real-time".

As importantly, the "My Stuff" approach ensures accurate quotations and comprehensive service agreements which give confidence and security to both Fina and the client. This also enables our Client Relations Team to maximise client benefits and ensure client satisfaction.

Rebuilding the Finances

An organisation such as ours requires a sophisticated, financial management planning system from which we can ascertain our position at any point in time. A robust financial management system is essential to ensure sustainability, the growth of the organisation and growth in the client base.

The transition to a comprehensive, integrated financial software system, as forecast in the 2018/2019 Annual Report, has been completed.

I am delighted to report that this new financial reporting regime now enables the Management Committee to gain an accurate picture of the current financial state of the organisation and to appreciate realistic budget forecasts into the future.

> *This professional approach to financial management is critical as we rebuild and grow the organisation and ensure we have the resources to enhance the lives of our clients.*

As a necessary part of rebuilding the organisation for the future, the Management Committee has committed significant funds to capital expenditure, acquiring and/or improving the condition and capacity of our long-term assets. This was discussed earlier in the report under "Rebuilding Assets and Infrastructure".

A Quality Rebuild

I'm equally pleased to report the introduction of the Camulos software system, an IT environment and integrated management framework which ensures that we monitor, meet and exceed NDIS quality requirements and expectations. The rolling out of this system and its integration into our operational environment has involved a great deal of work on the part of our IT consultant and our senior management team. The techniques, processes and care we provide, and the record keeping that is built into Camulos sees us well placed for the future.

Rebuilding our Human Resources

In the past, Fina has relied on external labour hire companies to staff our facilities. As forecast in the the President's Report of 2018/2019, Fina dispensed with the external labour hire company, Edmen, and developed and rolled out our own HR capacity.

Fina now advertises for, selects, inducts and trains all our own staff. This self-sufficiency has enabled us to implement our "core teams" approach which ensures that each client has the certainty and the predictability of being cared for by the same people under the same team leadership. Our recruitment and selection methodologies are designed to find the staff who will best suit the needs of our clients.

The core team approach ensures all team members have the capacity to work within the planning and quality frameworks, thus ensuring that we meet and exceed NDIS quality standards and that we reliably deliver according to the "My Stuff" dataset.

Rebuilding Governance

Prior to the AGM, the Management Committee, our Senior Leadership Team and our legal advisers have been working together on a new Constitution. This new Constitution will more accurately reflect the organisation's new purpose and direction and will help us achieve our goals. It will also refine our system of governance, thereby assisting the Management Committee to set the organisation's strategic direction and monitor its performance.

Conclusion

In conclusion I wish to thank my colleagues on the Management Committee, our General Manager John Hunter, our Senior Leadership Team and all our staff on what has been achieved in the financial year 2019/2020.

The Covid-19 pandemic has absorbed much time and many resources.

> *Even so, what we have achieved since the last AGM is quite remarkable and is a credit to us all.*

I look forward to the year 2020/2021 with great confidence in the knowledge that we have the leadership, the resources, the passion and the vision to continue to develop Fina into a national exemplar in the disability sector.

Barry Maxfield
President, Fina Australia

Management Committee Governance Statement

This Corporate Governance Statement outlines the Management Committee's ongoing commitment to a best-practice governance framework.

Management Committee members have a sound understanding of, and comply with, the financial, legal and prudential obligations of Fina.

> *All Fina's operations and activities are guided by a clear, coherent and integrated set of policies which are reviewed regularly.*

The Management Committee Charter

The Management Committee Charter identifies the Committee's roles and responsibilities, its membership and operation and the responsibilities that may be delegated to sub-committees/working parties and/or management.

Structure and Composition of the Management Committee

Fina's Constitution allows for a maximum of eight elected Management Committee members.

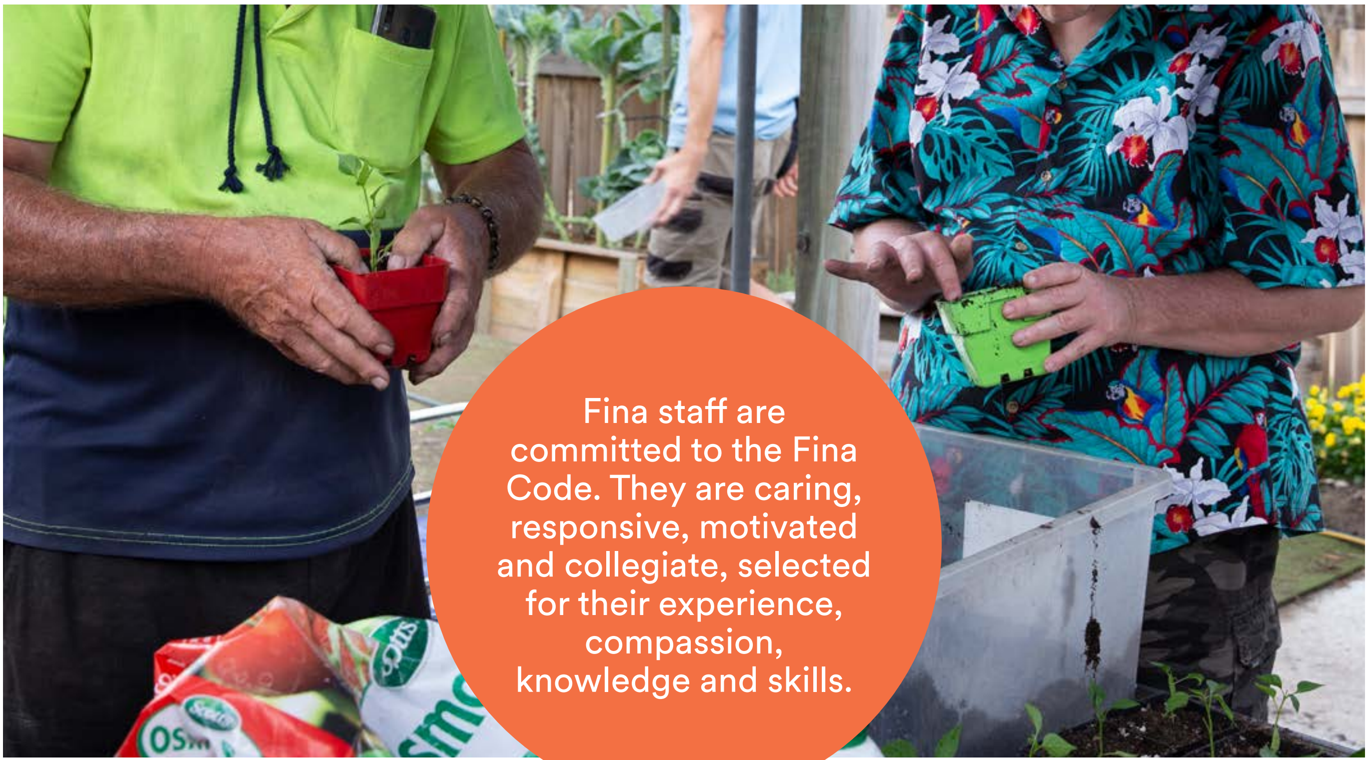
The President of the Management Committee, for the financial year 2019/20 was Mr Barry Maxfield. Mr Maxfield was re-elected to this role in 2018.

Management Committee Member Independence

To be considered independent, each Management Committee member must be able to demonstrate that he/she is free of any interest, position, organisation or relationship that might influence, or reasonably be perceived to influence, his/her capacity to bring independent judgement to bear on issues before the Management Committee and his/her capacity to act in the best interests of the organisation.

A Management Committee member who:

- is, or has been, employed in an executive capacity by Fina and there has not been a period of at least 3 years between ceasing that employment and serving on the Management Committee;
- is, or has within the last three years been, a partner, board member or senior employee of a provider of material professional services to Fina;
- is, or has been within the last 3 years, in a material business relationship (eg as a supplier or customer) with Fina, or an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with Fina;
- has close family ties with any person who falls within any of the categories described above;



- will not be independent, unless the Management Committee is satisfied on reasonable grounds that the member is independent despite the existence of one or more of these circumstances.

In each case, the nature of the interest, position in Fina or relationship is assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Management Committee member's capacity to bring an independent judgement to his/her role on the Management Committee and/or to act in the best interests of Fina.

Management Committee Sub-Committees / Working Parties

The Management Committee will, where necessary, establish sub-committees/working parties to assist it in the execution of its responsibilities.

Risk Management

The Management Committee is responsible for ensuring that a robust risk management culture is maintained and implemented throughout the organisation.

Fina is establishing a sound risk management framework and the Management Committee is committed to ensuring that the principles set out in this framework are acted on in an effective and timely manner.

Professional Development

Management Committee members are expected to undertake ongoing professional development. This professional development seeks to reinforce and build on the professional requirements outlined in the Management Committee Charter induction.

> *Management Committee members are encouraged to maintain and extend their existing skills and to acquire new ones.*

The General Manager works with the President to ensure Management Committee members are informed of, and encouraged to attend, relevant forums and seminars in order to enhance their knowledge of corporate governance, relevant sectoral matters and the changing environment of business operations.

Ethical Behaviour

All Management Committee members are required to act at all times in a manner consistent with Fina's commitment to honesty, integrity, quality and trust.

fina

Financial Statements

For the year ended 30 June 2020

24th November 2020

Mr Stephen Shirley
sps audit
Chartered Accountants
P O Box 881
COOLUM BEACH QLD 4573

Dear Sir,

This representation letter is provided in connection with your audit of the financial report of S.C.O.P.E Inc for the year ended 30th June, 2020, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, in accordance with:

a) the *Associations Incorporation Act 1981 (Queensland)* and the *Australian Charities and Not-for-profits Commission Act 2012,* including:

(i) Giving a true and fair view of the association's financial position as at 30th June, 2020 and of its performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

We acknowledge our responsibility for ensuring that the financial report is in accordance with:

a) the *Associations Incorporation Act 1981 (Queensland)* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the association's financial position as at 30th June, 2020 and of its performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during our audit.

1. We have made available to you:

(a) all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and

(b) minutes of all meetings of directors.

2. There:

   (a) has been no fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in internal control;

   (b) has been no fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report; and

   (c) have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

4. We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in the aggregate, to the financial report taken as a whole.

5. We have no plans or intentions that may materially affect the carrying values, or clarification, of assets and liabilities.

6. We have considered the requirements of AASB 136 “Impairment of Assets” when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.

7. The following have been properly recorded and disclosed in the financial report:

   (a) related party transactions and related amounts receivable or payable

   (b) material liabilities or contingent liabilities or assets including those arising under derivative financial instruments;

   (c) unasserted claims or assessments that our lawyer has advised us are probable of assertion.

8. There are no violations or possible violation of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.

9. The association has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all items of property, plant and equipment that have been abandoned or are otherwise unusable.

10. The association has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

11. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.

12. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

13. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the association taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours Faithfully

S.C.O.P.E Inc

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	2	9,386,051	7,836,269
Other income	2	385,615	581,138
Employee benefits expense		(6,886,281)	(7,702,476)
Depreciation and amortisation expense	3	(106,869)	(92,376)
interest expense on financial liabilities	3	-	(10,406)
Rental expense on operating leases		(12,896)	(65,376)
Sundry expenses		(1,953,274)	(1,194,581)
Current year surplus / (deficit) before income tax		812,346	(647,808)
Income tax expense		-	-
Net current year surplus / (deficit)		812,346	(647,808)
Other comprehensive income			
Other comprehensive income		-	-
Total other comprehensive (losses)/income for the year		-	-
Total comprehensive income for the year		812,346	(647,808)
Surplus / (deficit) attributable to members of the entity		812,346	(647,808)
Total comprehensive income attributable to members of the entity		812,346	(647,808)

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Statement of Financial Position

For the year ended 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,395,484	1,141,004
Accounts receivable and other debtors	5	104,893	67,155
Other current assets	6	253,758	-
TOTAL CURRENT ASSETS		1,754,135	1,208,159
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,904,648	1,696,329
TOTAL NON-CURRENT ASSETS		1,904,648	1,696,329
TOTAL ASSETS		3,658,783	2,904,488
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	8	1,053,668	1,082,906
Borrowings	10	-	1,170
Employee provisions	9	321,525	296,613
TOTAL CURRENT LIABILITIES		1,375,193	1,380,689
NON-CURRENT LIABILITIES			
Accounts payable and other payables	8	-	-
Borrowings	10	-	-
Employee provisions	9	-	52,555
TOTAL NON-CURRENT LIABILITIES		-	52,555
TOTAL LIABILITIES		1,375,193	1,433,244
NET ASSETS		2,283,590	1,471,244
EQUITY			
Retained surplus		1,362,593	550,247
Reserves		920,997	920,997
TOTAL EQUITY		2,283,590	1,471,244

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2020

	Retained Surplus $	Revaluation Surplus $	Total $
Balance at 1 July 2018	1,198,055	920,997	2,119,052
Comprehensive Income			
Surplus / (deficit) for the year attributable to owners of the entity	(647,808)		(647,808)
Other comprehensive income for the year	-		-
Total comprehensive income attributable to owners of the entity	(647,808)	-	(647,808)
Balance at 30 June 2019	550,247	920,997	1,471,244
Balance at 1 July 2019	550,247	920,997	1,471,244
Comprehensive Income			
Surplus for the year attributable to owners of the entity	812,346		812,346
Other comprehensive income for the year	-		-
Total comprehensive income for the year	812,346	-	812,346
Transactions with members, in their capacity as members, and other transfers	-		-
Total transactions with members and other transfers	-	-	-
Balance at 30 June 2020	1,362,593	920,997	2,283,590

For a description of each reserve, refer to Note 15.

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and customers		9,632,683	8,466,962
Payments to suppliers and employees		(9,064,888)	(8,699,038)
Interest received		3,043	10,745
Interest paid		-	(10,406)
Net cash generated from operating activities	13	570,838	(231,737)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(315,188)	(11,938)
Net cash used in investing activities		(315,188)	(11,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,170)	-
Increase in borrowings		-	546
Net cash used in financing activities		(1,170)	546
Net increase in cash held		254,480	(243,129)
Cash on hand at beginning of the financial year		1,141,004	1,384,133
Cash on hand at end of the financial year	4	1,395,484	1,141,004

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1 Summary of Significant Accounting Policies

These special purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

(a) Revenue

Revenue recognition

The Entity has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in this Note.

In the current year

Operating grants or donations

When the entity received operating grant revenue or donations, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

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

In the comparative period

Non-reciprocal grant revenue was recognised in profit or loss when the Entity obtained control of the grant and it was probable that the economic benefits gained from the grant would flow to the Entity and the amount of the grant could be measured reliably.

If conditions were attached to the grant which must be satisfied before the Entity was eligible to receive the contribution, the recognition of the grant as revenue was deferred until those conditions were satisfied.

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

Donations were recognised as revenue when received.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service was recognised upon the delivery of the service to the customer.

(b) Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings and leasehold buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation and subsequent impairment for buildings.

In periods when the freehold land and buildings and leasehold buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 7.5%
Furniture, fixtures and fittings	10.0% - 66.7%
Motor vehicles	18.7% - 25.0%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(d) Leases

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Provisions

Short-term employee provisions

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(i) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997* .

(l) Provisions

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(n) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates

(i) Impairment

The freehold land and buildings were independently valued in 2017 by an independent valuer. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 30 June 2020, the directors reviewed the key assumptions made by the valuers in 2017. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2020.

(ii) Useful lives of property, plant and equipment

As described in Note 1(d), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key Judgements

(iii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Notes to the Financial Statements

For the year ended 30 June 2020

(o) Economic Dependence

The Entity is dependent on the Federal and State Government Departments (the Department) for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Entity.

(p) New and Amended Accounting Policies Adopted by the Entity

Initial application of AASB 16

The Entity has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

Accordingly, these concessionary leases have a Nil value and do not affect the opening balances of the entity.

Note 2 Revenue and Other Income

	2020	2019
Revenue	$	$
Revenue from grants		
— YLYC income	-	62,169
— Disability services funding	158,365	5,971,406
— NDIS income	6,979,343	613,024
— Continuity of support income	2,186,391	1,178,925
— Cash Flow Boost	50,000	-
— Wages subsidy	8,909	-
Total revenue	9,383,008	7,825,524
Other revenue		
Interest received on bank accounts	3,043	10,745
Total revenue	9,386,051	7,836,269
Other income		
— Other	9,127	15,306
— Donations	52,441	42,303
— Fee for service income	-	115,661
— Client contributions	324,047	407,868
Total other income	385,615	581,138
Total revenue and other income	9,771,666	8,417,407

Note 3 Surplus for the year

	2020	2019
	$	$
a. Expenses		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	507,156	369,733
— Wages and salaries	6,379,125	7,332,743
Total employee benefits expense	6,886,281	7,702,476
Depreciation and amortisation:		
— land and buildings	40,625	40,495
— motor vehicles	18,164	30,082
— furniture and equipment	48,080	21,799
Total depreciation and amortisation	106,869	92,376
Finance costs:		
— interest expense on financial liabilities	-	10,406
Rental expense on operating leases:		
— minimum lease payments	-	65,376
Total rental expense	-	65,376
Rental expense on operating leases:		
— short-term lease expense	12,896	-
	12,896	-

Notes to the Financial Statements

For the year ended 30 June 2020

Note 4 Cash and Cash Equivalents

	2020 $	2019 $
CURRENT		
Cash at bank – unrestricted	1,395,484	1,141,004
Cash float	-	-
Total cash on hand as stated in the statement of financial position and	1,395,484	1,141,004
statement of cash flows	1,395,484	1,141,004

Note 5 Accounts Receivable and Other Debtors

	2020 $	2019 $
CURRENT		
Accounts receivable	103,093	67,155
Other debtors	1,800	-
Accrued Income	-	-
Insert Details	-	-
Total current accounts receivable and other debtors	104,893	67,155

Note 6 Other Current Assets

	2020 $	2019 $
Accrued Income	253,758	-
	253,758	-

Note 7 Property, Plant and Equipment

	2020 $	2019 $
LAND AND BUILDINGS		
Leasehold Land and Buildings		
At fair value	1,000,000	1,000,000
Improvements at cost	211,794	-
Accumulated depreciation	(75,000)	(50,000)
Total leasehold land and buildings	1,136,794	950,000
Freehold Land and Buildings		
At fair value	625,000	625,000
Accumulated depreciation	(46,875)	(31,250)
Total freehold land and buildings	578,125	593,750
Total land and buildings	1,714,919	1,543,750
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	302,623	229,171
Accumulated depreciation	(220,062)	(180,419)
	82,561	48,752
Furniture, Fixtures and Fittings		
At cost	336,553	336,618
Accumulated depreciation	(303,395)	(301,301)
	33,158	35,317
Motor Vehicles		
At cost	324,488	300,824
Accumulated depreciation	(250,478)	(232,314)
	74,010	68,510
Total plant and equipment	189,729	152,579
Total property, plant and equipment	1,904,648	1,696,329

Notes to the Financial Statements

For the year ended 30 June 2020

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

	Land and Buildings - Owned $	Land and Buildings - Leased $	Motor Vehicles $	Plant and Equipment $	Total $
2019					
Balance at the beginning of the year	609,245	975,000	93,920	101,975	1,780,140
Additions at cost			34,820	3,893	38,713
Disposals			(30,148)		(30,148)
Depreciation expense	(15,495)	(25,000)	(30,082)	(21,799)	(92,376)
Carrying amount at the end of the year	593,750	950,000	68,510	84,069	1,696,329
2020					
Balance at the beginning of the year	593,750	950,000	68,510	84,069	1,696,329
Additions at cost		211,794	23,664	81,013	316,471
Disposals				(1,283)	(1,283)
Depreciation expense	(15,625)	(25,000)	(18,164)	(48,080)	(106,869)
Carrying amount at the end of the year	578,125	1,136,794	74,010	115,719	1,904,648

Asset Revaluations
The freehold land and buildings and leasehold buildings were independently valued in 2017 by an independent valuer.

At 30 June 2020 the directors reviewed the key assumptions made by the valuers in 2017. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2020.

Refer to Note 14 for detailed disclosures regarding the fair value measurement of the company's freehold land and buildings.

Note 8 Accounts Payable and Other Payables

	2020 $	2019 $
CURRENT		
Accounts payable	184,554	223,622
Other current payables	-	22,063
Accounts held in trust	20,917	23,978
Employee accruals	724	242,716
GST and PAYG payable	123,754	38,711
Superannuation payable	67,914	31,567
Grants in advance	655,805	242,781
NDIS funding to be returned	-	257,468
	1,053,668	1,082,906
NON-CURRENT		
Accounts payable	-	-
	-	-

Note 9 Employee Provisions

	2020 $	2019 $
CURRENT		
Provision for employee benefits: annual leave	249,678	250,975
Provision for employee benefits: long service leave	65,333	25,670
Provision for employee benefits: personal leave	6,514	19,968
	321,525	296,613
NON-CURRENT		
Provision for employee benefits: long service leave	-	52,555
	-	52,555
	321,525	349,168

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 July 2019	349,168	349,168
Amounts used	(27,643)	(27,643)
Balance at 30 June 2020	321,525	321,525

Notes to the Financial Statements

For the year ended 30 June 2020

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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, the entity 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 the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 10 Borrowings

	2020	2019
	$	$
Westpac business loan	-	1,170
	-	1,170

Note 11 Contingent Liabilities and Contingent Assets

	2020	2019
	$	$
There were no contingent liabilities or assets identified by the directors as having to be reported at the date of preparation of this report.	-	-

Note 12 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 13 Cash Flow Information

	2020	2019
	$	$
a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus / (deficit)	812,346	(647,808)
Adjustment for:		
Depreciation and amortisation expense	106,869	92,376
Loss / (gain) on disposal of property, plant and equipment	-	3,372
Movement in working capital changes:		
(Increase)/decrease in accounts receivable and other debtors	(37,738)	(67,154)
Increase/(decrease) in accounts payable and other payables	(184,794)	235,876
(Increase)/decrease in other current assets	(253,758)	1,582
Increase/(decrease) in employee provisions	(27,643)	22,565
Increase/(decrease) in income in advance	155,556	127,454
	570,838	(231,737)

Note 14 Fair Value Measurements

The entity measures and recognises the following assets at fair value on a recurring basis after initial recognition.

- leasehold buildings; and
- freehold land and buildings.

The entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Note 15 Reserves

a. Revaluation Surplus

The revaluation surplus records revaluations of non-current assets.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 16 Entity Details

The registered office of the entity is:

S.C.O.P.E Inc
The Hub
30 - 54 Aquatic Centre Drive
BURPENGARY QLD 4510

The principal place of business is:

S.C.O.P.E Inc
The Hub
30 - 54 Aquatic Centre Drive
BURPENGARY QLD 4510

Directors' Declaration

In accordance with a resolution of the Directors of S.C.O.P.E Inc, the directors of the Registered Entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 2 to 14, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

    (a) comply with Australian Accounting Standards; and

    (b) give a true and fair view of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director

BARRY R. MAXFIELD

Carey A. Gadischkie

Dated this 25th day of November 2020

Independent Auditor's Report

Opinion

We have audited the financial report of S.C.O.P.E Inc (the registered entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other 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 the directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

i. giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the ACNC Act, 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the directors determine 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.

The directors of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 directors are responsible for assessing the registered entity'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 directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 registered entity'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 registered entity 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 directors 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.

Auditor's name and signature: Stephen J Shirley

Address: Suite 8b, Matlow Place
19 Birtwill Street
COOLUM BEACH QLD 4573

Dated this 25th day of November 2020

A Community of Care

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