



STRETTON PARK

Central Gippsland Health
ANNUAL REPORT 2020



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WHO ARE WE

STRETTON PARK

Stretton Park is a community operated not-for-profit residential aged care facility located in the beautiful Gippsland town of Maffra. Stretton Park has provided aged care services to the Maffra and district community for over thirty years.

Stretton Park has a rich and proud heritage. It is a community owned asset and an important part of the economic and social fabric of Maffra and surrounding districts.

INDEPENDENT LIVING UNITS

At Stretton Park there are 18 Independent Living Units offering either single bedroom or two bedroom options. All have ensuites, well presented kitchens and bathrooms and private outdoor areas. The units are situated in a peaceful, residential area of Maffra close to a beautiful park, local hospital and convenience store.

THE RESIDENTIAL FACILITY

The facility provides for care to meet the needs of the residents of Maffra District and beyond. There are forty permanent beds with an additional two beds for respite use.

Stretton Park offers quality, individualised care to residents in a friendly, pleasant environment where residents are respected and supported. Individualised personal care is planned and delivered through continued consultation and review of personal care needs and choices.

Resident health and comfort is enhanced through the provision of specialised care, including physiotherapy, speech therapy, palliative care, dementia care, occupational therapy, wound management and more.

Resident lifestyle is supported through our Diversional Therapist and volunteer team who offer various activities, events and personal programs to support individuals and groups.

Stretton Park also provides respite care to eligible persons and, at time, supports emergency respite, depending on bed availability, working closely with acute and community health services to support the needs of our aged population.

VISION, MISSION, GOALS & VALUES

VISION

Our vision is for older people to live happy, contented and fulfilling lives with access to locally viable person-centred care and services.

MISSION

Our mission is to cater for the needs of our aged community by identifying and responding to their preferences, forming successful partnerships with local and regional services, and providing a place where people are at the centre of everything we do.

GOALS

Our Key Goals are to:

Connect Services

Build a triangular relationship which includes horizontal (across service levels) and vertical components for resourcing, viability and workforce development.

Connect Communities

Create a viable model that builds on strengths and creates enabling pathways for the local community in an era of increasing competition from state-wide and national providers.

Universal Design

Universally adapt the facilities to maximise the outcomes for current and future community needs.

MISSION

To maintain and enhance this community asset we will:

- Value our independence and maintain our capacity to be self-determining.
- Place our residents and the community at the centre of what we do.
- Strive to achieve excellence in the quality of services we provide.
- Be socially and culturally aware in the way we provide services.
- Value people through respect and mutual obligation.
- Act with honesty, transparency and integrity.

BOARD OF MANAGEMENT



Helen Montague

Board Chair (2005 - 2020)

Retired Community Facilitator and Emergency Recovery Officer with the Wellington Shire Council and former Division 1 nurse, with over thirty years' experience working in the community, palliative care and clinical sectors. Currently a Director of the Maffra and District Community Bank and has leadership roles with many local community organisations.



Terry Donahoe

Vice Chair (2014 - 2020)

Terry is a retired Manager of Projects in Australia and South East Asia, and Management Consultant in Corporate Crisis and Emergency Planning, as well as in Occupational Health and Safety, Environment, Security and Heritage fields.



Nick Munro

Treasurer (2015 - 2020)

Having grown up in Maffra, Nick has worked for over twenty years' as an Accountant in large corporations in Melbourne and Singapore. Returning to Maffra to give his sons the same opportunity to grow up in the clean country air. Nick now works in Public Practice as a Tax Accountant.

BOARD OF MANAGEMENT



Louise Rys
(2003 - 2020)

Louise is retired after a long term employment in the Management of Government-funded programs for rural communities. Louise has experience in Corporate Governance and has worked as a Partner in a successful family business for many years. She has had significant personal involvement with aged care facilities, which has led to her involvement with, and appreciation for Stretton Park.



Russell Macqueen
(2001 - 2020)

Russell is a semi-retired Anglican Minister. He has been Rector of Orbost, Yarram and Maffra. He was also Archdeacon of East Gippsland and a Police Chaplain. In 2011 he retired from full time ministry and retrained in paramedics. He currently works for the Royal Flying Doctors Service in Victoria.



Sue Lawrence
(2012 - 2020)

Sue is a Practice and Client Service Manager for Professional Money Management. She has worked in the Financial Services Industry for thirty years', specialising in Retirement Planning and Centrelink Age.

BOARD OF MANAGEMENT



Lindsay Wigg

(2001 - 2020)

Born in Maffra, Lindsay spent his early years in Maffra and Sale, attending school locally. In the past forty-five years' he has been in real estate, property management, development and investment. He is currently Director of four real estate companies in Gippsland.



Kathy Crooke

(2001 - 2020)

Kathy trained as a Division 1 nurse and holds Midwifery and Child health certificates. Since living in Gippsland, Kathy has worked at Maffra Hospital, then with local government in community services. She has lectured at TAFE in aged care and spent a lifetime of active involvement in agriculture.



Patricia Gray

(2005 - 2020)

A local since her marriage in 1959, Pat and husband Jack operated a dairy farm and later ran beef cattle in the Maffra area. Before her marriage, Pat lived in Melbourne where she worked at the ATO, studied accountancy and then worked in Collins Street accountancy practice for a number of years. After raising a family Pat returned to work, firstly for a Maffra solicitor and accountant before taking up a position at Phillipsons in Sale where she worked for over twenty years, retiring in 2003. Pat has been on the Stretton Park Board for fourteen years and Treasurer for twelve years.

REPORT BY THE BOARD CHAIR

2019 - 2020 has been a year like no other with a great many challenges, especially for Central Gippsland Health Services (CGHS) who manage Stretton Park Aged Care on behalf of the Board of Management. They have dealt with the impacts of a cyber-attack on their computer systems in 2019, bushfires affecting our local regions from December to February and for the past nine months the impacts from COVID-19 Virus. In spite of these challenges, CGHS management and the Board, have maintained a high standard of care and experienced many positive achievements for Stretton Park Aged Care.

Special appreciation is extended to Dr Frank Evans and the CGHS Executive Team.

With Paul Head taking on the role of CEO of Stretton Park Inc. and Heyfield Hospital Inc. we have successfully secured Stage 2 funding for our redevelopment through a \$1 million Federal grant from the Building Better Regions Fund. Having the support of CGHS has enabled Stretton Park to maintain its core business, while achieving the goals identified in last year's annual report.

We also greatly appreciate the support given to us by Gippsland MHR Darren Chester, as well as State politicians Tim Bull and Danny O'Brien.

Our Board

Board members have also faced challenges this year due to the COVID restrictions and have adapted to the increased use of technology, especially Zoom Meetings. It was wonderful to see each other in person recently when an inspection of the redevelopment works was held.

I would like to thank all members for their support and the voluntary hours they commit to Stretton Park Aged Care. We are currently working through the strategic plan for Stretton Park which will include preparation for new challenges, especially when the recommendations from the Aged Care Royal Commission are announced, as well as succession planning and technological advances.

Special thanks again this year to Terry Donahoe, for his assistance as Vice Chair and to Treasurer Nick Munro and to Pat Gray, for their expertise in the financial matters of Stretton Park.

Our Staff, Residents and Community

We were saddened to farewell Nurse Unit Manager (NUM) Ann Gibbs earlier this year and are grateful for her work with residents and staff over the past years. Fortunately Sally Weatherley has been able to temporarily fill this role as well as her duties as General Manager of Aged Care/Director of Nursing Maffra Hospital. Sally has been invaluable in supporting staff and residents during the COVID 19 Virus, while also being the liaison between the builders for the redevelopment project. The Board is very appreciative of her support and management. We welcome our new NUM, Zoe Pendrick who commences her role in November.

To all our staff that have faced new challenges over the past twelve months and been able to maintain their usual high standard of care, while keeping our residents safe, a huge thankyou from the Board. This acknowledgement also includes Julie Moulden, our Diversional Therapist who has provided many additional activities for residents during the isolation period. The residents and board members greatly value the care and support you all provide.

For our residents and their families it has been a particularly difficult year with lock downs, strict visiting regimes and the building program, thank you for your patience and understanding, we hope 2021 will be a better year for all. Special mention of the residents who have passed away over this time, many of whom were long term members of Stretton Park, every resident is significant and we invite and encourage their families to continue to be involved with our facility. We would also like to also acknowledge our community organisations, churches, auxiliary members and volunteers who all support our residents and the staff.


Redevelopment & future plans

Through sound fiscal management from CGHS and our Board Treasurer, we were able to commence Stage 1 of the redevelopment using our own funds. The first stage should be completed by April 2021, enabling us to roll straight into Stage 2. The final stage amounting to \$2 million is still to be sourced. The total cost of the redevelopment will be over \$6 million.

The Board is very appreciative of community support, especially with the redevelopment fundraising which currently totals over \$170,000, an amazing effort from our local community and through personal donations. When completed Stretton Park Hostel will be a modern, spacious facility, able to accommodate residents with more complex needs into the future.

Our nineteen independent Units remain a great asset for Stretton Park and are highly valued by the community. The creation of a Cafe in the foyer area is creating much interest for residents, hopefully we will be able to join them for a coffee in the near future.

On behalf of the Board thank you for your support during this very difficult year. May 2021 be a positive and rewarding year for all involved with Stretton Park Aged Care.



Helen Montague OAM
Board Chair



REPORT BY THE CEO

PAUL HEAD

Paul completed his Bachelor of Nursing at the University of Southern Queensland and proceeded to complete his graduate year in The Canberra Hospital. Paul has a background in Emergency nursing in addition to considerable experience working in rural and remote settings, spending 7 years in the Northern Territory as the Nurse Unit Manager of Emergency Department.

During this period Paul completed a Master of Advanced Practice from Newcastle University. Paul was a member of the Royal Australian Airforce for 4 years, during this time he conducted several missions on-board the rescue helicopter service throughout the Northern Territory; in addition to deploying for 4 months to the Middle East on active operations. Paul has completed a Master of Nursing, Master of Management, Master of Human Resources and Master of Business Administration.

The 2019/2020 year will go down in history as the year of the catastrophe.

Since September 2019, Central Gippsland Health Service (CGHS) has faced three (3) consecutive major events. Our Network has continued to demonstrate strength by consistently and repeatedly managing these unprecedented natural and technological disasters.

At the beginning of September 2019, the cyber-attack rendered our electronic resources unserviceable whilst comprehensive diagnostic work was completed to restore all CGHS systems. As a result, and significant investment to the state our firewalls were reinforced and security systems were upgraded.

The 2019/20 bushfires have been described as 'the worst bushfires in our history,' 'exceptional in size and impact' and 'by far Australia's costliest natural disaster'. The devastating loss of life, land and homes created a shared impact to Health Services and Aged Care Facilities as people were evacuated to numerous safe zones by road, sea and air.

Closely following the 2019/20 Bushfire service impact, the Coronavirus (COVID-19) outbreak was declared a worldwide Pandemic. The State of Emergency for CGHS, like many regional health services has surpassed 12-months, proving these are truly challenging and unprecedented times.

The staff at Stretton Park Incorporated (SPI) have managed through these uncertain times with enthusiasm and optimism given the demanding challenges and lower occupancy rates many Aged Care Facilities have faced.

This year we welcomed the Commonwealth funding approval of \$1 Million for Stage two (2) construction works of the Redevelopment project. The benefits of this project are becoming more obvious as we progress through the Stage one (1) work schedule.

I would like to thank the Staff, resident's friends and family for working with us through the disruption however, we all can see it will be worth the effort when the project is completed.

We will be seeking further funding for the completion of stage 3 this year which will see the project to completion.

Since commencement of the Physiotherapy program there has been a reduction in falls incidents, demonstrating the programs functional benefit in delivering quality of life for our residents. This is a great example of how the Board of Management are investing in sustaining the facilities future, ensuring we can continue to provide a valuable service to our community.

As you may be aware, the Aged Care Sector is on the precipice of major changes following the Royal Commission into the impact COVID-19 in Aged Care Facilities. I am sure these changes will be challenging, however exciting as the sector works collaboratively to improve the Aged Care landscape.

Fortunately, the SPI Strategic Plan is in the process of being amended, these amendments will include and be influenced by the wholesale changes in the Aged Care Sector; placing us in a strong position to rapidly incorporate the findings into our operational plans.

I would like to thank the SPI staff for rising to the unique operational challenges they faced throughout the year. The staff have gone to great lengths to ensure our residents never felt "locked in" and have remained unyielding in their dedication and advocacy for the residents through what has been at times a distressing experience. I wish to convey my sincere congratulations to you all.

I would like to acknowledge and thank our volunteers and auxiliary for being patient whilst we navigate through such uncertain times, we truly appreciate your contribution to the organisation.

Additionally, I would like to recognise someone who has an undeniable dedication to staff residents and families. I have never had the pleasure of working with a person with so much passion for Aged Care, making herself available seven (7) days a week and often putting the needs of the organisation well before her own.

Of course, I am referring to our General Manager of Aged Care, Sally Weatherley, who has done an exceptional job in improving SPI and the CGH Aged Care Network over the last 18 months. We are very fortunate to have such an experienced and capable manager in Sally and look forward to her continued leadership in Aged Care.

Lastly, thank you to the SPI Board of Management for dedicating their time and efforts to ensure our organisation has sound governance and remains focused on the community and it's needs.



Paul Head
Chief Executive Officer

LONG-AWAITED STRETTON PARK REDEVELOPMENT COMMENCES

Work on the \$3 million Stage 1 redevelopment of Stretton Park Aged Care in Maffra has commenced.

Expected to take six months to complete, Stage 1 works include the redevelopment of 12 resident suites and the new construction of four suites.

Staged to reduce the impact on current service provision, the redevelopment after the final completion of Stage 3 will see an update the aged care facility in line with contemporary aged care standards. This includes 44 single rooms with ensuites, communal and outdoor areas, and a coffee shop located within a community hub space.

Central Gippsland Health (CGH) continues to manage the Stretton Park Aged Care facility on behalf of the Board of Management and the community.

SPI Chief Executive Officer, Paul Head, said the redevelopment was a welcome improvement to the aged care facility that had been serving the Maffra and district community for over 40 years.

“Stretton Park is an asset we certainly want to ensure grows with our ever changing community now and well into the future,” Mr Head said.

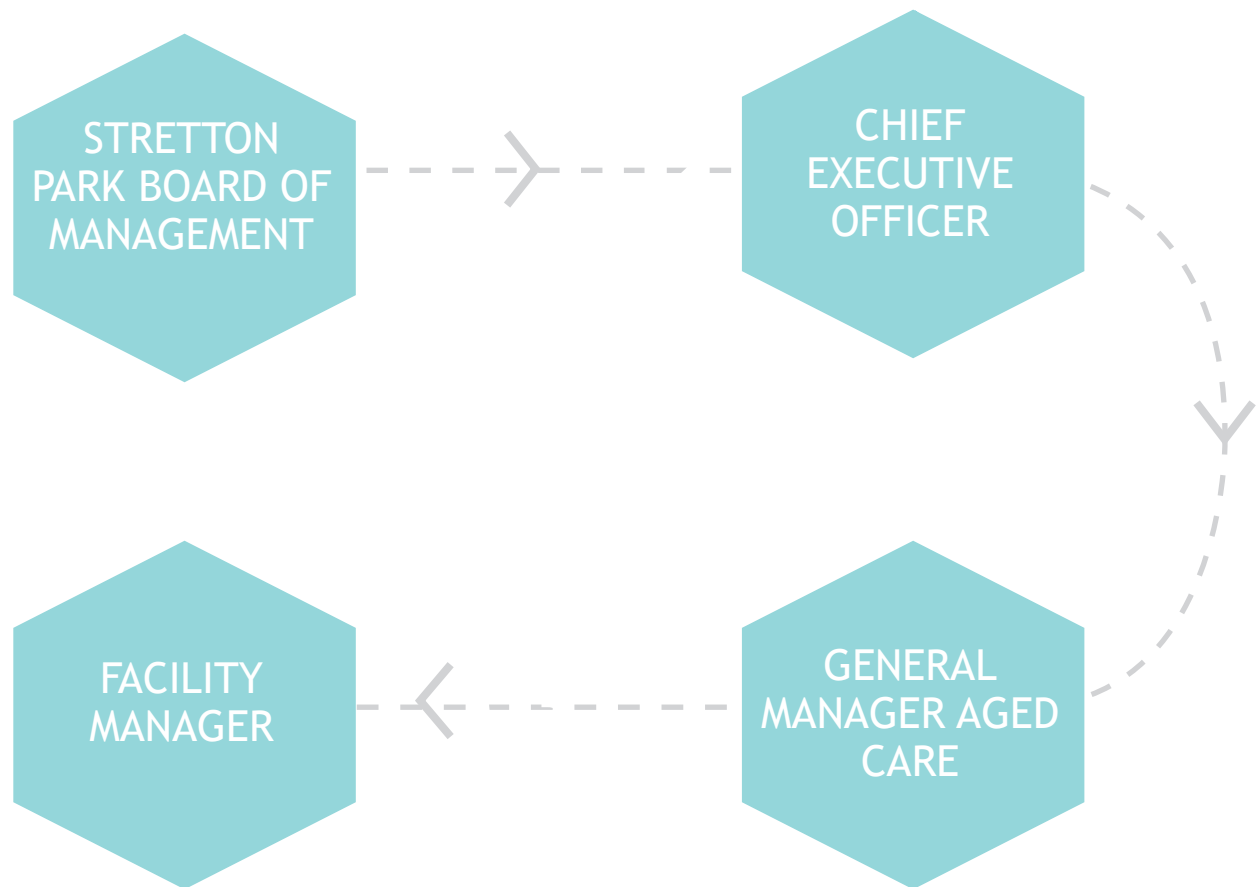
“This redevelopment will ensure the facility can supply demand while ensuring residents are receiving quality care in a modern, accessible and stimulating environment.”

Stretton Park Board Chair, Helen Montague, said the community hub aspect of the redevelopment would accommodate multiple community activities.

“The community hub will be a vital meeting space for residents of the aged care home as well as community groups,” she explained.

“By providing a valuable community resource, we are capitalising on and consolidating the strong community ties that Stretton Park currently has with Maffra and surrounding areas.”

ORGANISATIONAL STRUCTURE



ACCREDITATION

Stretton Park Incorporated (SPI) holds current Aged Care Accreditation.

Corporate management identifies opportunities for improvement which filter through to the home. SPI actively pursues continuous improvement across all the Accreditation Standards.

The organisation has systems in place to identify changes in relevant legislation, regulatory requirements, professional standards and guidelines.

DIVERSIONAL THERAPY REPORT

Oh boy what a very different year we have experienced with COVID-19 and renovations all at the same time. Renovations have been a good distraction as residents are able to watch the progress from their windows.

We have so many community groups and special people to thank for their continued support; Anglican Church Parish for their kind donation for activities program. Also for preparing the weekly Church service via USB for our residents cultural and spiritual needs. A special donation of coloured cardboard for residents to make Christmas cards for their families and friends. The Church also sent special handmade card to all residents to let them know they were being thought of , Thank you

We thank Maffra High School for writing letters to residents during COVID-19 to keep them united with the community. We thank the Kindergarten for their lovely paintings to put smiles on their faces due to these difficult times.

Huge thank you to all our volunteers who have returned to help out, your support is invaluable. Residents loved the zoom meetings to keep in touch with you.

Thank you to the residents who spent time making little gift boxes and handmade heart shaped chocolates for staff members with a card stating “ thank you for your amazing care, kindness and understanding during these difficult times” to show their appreciation.

We managed to keep bus trips going as much as possible keeping to guidelines and social distancing as it was important for resident’s mental health.

A mixture of old and new activities, modified to suit the abilities of residents.

A new smart TV was installed to accommodate Netflix which was very popular with all.

The addition of coffee machine for all to access was amazing.

We are now planning ahead to make Christmas as cheerful and fun as possible.

Julie and Meg
Diversional Therapists

AUXILIARY REPORT

The aim of the Stretton Park Hostel Auxiliary is to raise much needed funds for the residents to maintain quality in a variety of life interests.

The Auxiliary has 8 very active members who like most, have had a disappointing year.

The Auxiliary purchased Christmas gifts for all residents, respite guests, independent living unit tenants and volunteers from funds raised throughout the year. To raise the funds necessary to purchase these gifts and host functions the Auxiliary have held fundraisers, trash and treasure days, Bunnings BBQ days, personal donations and sales from the trading cabinet.

Our Christmas raffle was delayed in drawing and the Christmas luncheon was cancelled due to Coronavirus restrictions.

To follow upon the success of our inaugural Mother's Day High Tea, the Auxiliary had organised a 'Phantom of the Opera' themed Chicken and Champagne lunch. This function was scheduled to be held Tuesday 5 May at the Maffra Memorial Hall, engaging world renowned Opera singer Antoon Hennen. Unfortunately due to Coronavirus these plans had to be cancelled.

The Auxiliary have donated a total of \$7,790.00 to Stretton Park Hostel, \$2000.00 has been allocated to the refurbishment of the Dining Room and \$5790.00 towards the Redevelopment project. Along with the purchase of Jack and Jill outdoor settings, plants and vegetables for the garden, craft supplies and chocolates for the residents.

The Auxiliary wish to express their sadness at the passing of members and volunteer, Sandra Niblett. Sandra will be dearly missed by her friends at the Auxiliary.

I would like to personally thank every member of the Auxiliary for their continued dedication and support over the last 6 years, maintaining and building upon the achievements of previous years.

Lorraine Young
President

ACTIVITY DATA

Permanent Resident Admissions	2020	2019	2018	2017
From Independent Living Units	1	2	2	0
From Hospital	2	3	0	6
From Home	5	7	3	8
From Nursing Homes	0	0	0	1

Permanent Resident Discharges	2020	2019	2018	2017
Inside the Central Gippsland Health Aged Care Network	1	0	1	2
Outside the Central Gippsland Health Aged Care Network	2	2	2	1
Deceased	9	8	12	7
Returned Home	0	0	0	3
Hospital	1	1	1	2

Respite Care Allocation	2020	2019	2018	2017
Usage	830	815	675	733
Achieved	100%	98.19%	92.5%	100%

FINANCIAL STATEMENTS FOR 2019/20

STRETTON PARK INCORPORATED

ABN: 14 374 661 392

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

STRETTON PARK INCORPORATED**REPORT BY THE COMMITTEE**

Your committee present this report on the Association for the year ended 30 June 2020.

Committee Members

The names of each person who has been a committee member during the period and to the date of this report are maintained in a register at the principal place of business of the Association and can be reviewed upon written request to the committee.

The committee members have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the Association during the financial year was that of residential aged care and independent living unit facility. No significant change in the nature of these activities occurred during the year.

Objectives

The short-term objective of the Association is to provide residential aged care and independent living unit facility.

The long-term objective is to provide residential aged care and independent living unit facility.

Strategies for achieving the objectives

To achieve its stated objectives, the Association has adopted the following strategies:

- Stretton Park Inc. Strategic Plan

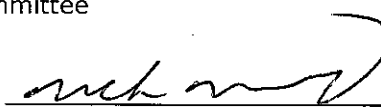
Performance measures

The Association measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks will be used by the Committee to assess the financial sustainability of the Association and whether the Association's short-term and long-term objectives are being achieved.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under subdivision 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page two of this financial statement.

Signed in accordance with a resolution of the Committee


Helen Montague
Chairperson
Nicholas Munro
Treasurer

Dated this 28th day of October 2020.



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AUDITORS INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE BOARD OF STRETTON PARK INCORPORATED

I declare that, in relation to our audit of the financial report of Stretton Park Incorporated for the financial year ended 30 June 2020, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Vic

CROWE VIC

G. Robertson

GORDON ROBERTSON
Partner

Date: 28th October 2020

Liability limited by a scheme approved under Professional Standards Legislation.

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

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STRETTON PARK INCORPORATED

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

	<i>Note</i>	2020 \$	2019 \$
Revenue	2	3,388,604	3,278,468
Employee Expenses	3(a)	(2,129,912)	(2,052,344)
Supplies and Consumables	3(b)	(250,864)	(216,878)
Other Expenses From Continuing Operations	3(c)	(569,616)	(530,871)
Net Result From Before Capital and Specific Items		<u>438,212</u>	<u>478,375</u>
Capital Purpose Income	2(g)	19,890	36,437
Depreciation	3(d)	(227,082)	(222,608)
NET RESULT FOR THE YEAR		<u>231,020</u>	<u>292,204</u>
Other Comprehensive Income			
Net fair value revaluation on Non Financial Assets	10(c)	-	681,271
TOTAL COMPREHENSIVE INCOME		<u>231,020</u>	<u>973,475</u>

This statement should be read in conjunction with the accompanying notes.

STRETTON PARK INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	<i>Note</i>	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	6,187,980	7,408,033
Receivables	5	180,844	55,619
Financial Assets	6	152,976	149,599
Total Current Assets		<u>6,521,800</u>	<u>7,613,251</u>
Non-Current Assets			
Property, Plant and Equipment	8	6,327,096	6,047,722
Total Non-Current Assets		<u>6,327,096</u>	<u>6,047,722</u>
TOTAL ASSETS		<u>12,848,896</u>	<u>13,660,973</u>
LIABILITIES			
Current Liabilities			
Payables	9	116,835	81,959
Provisions	10	332,337	366,685
Refundable Deposits and Accommodation Bonds	7	3,181,737	4,311,898
Independent Living Unit Resident Contributions	7	1,526,829	1,472,019
Total Current Liabilities		<u>5,157,738</u>	<u>6,232,561</u>
Non-Current Liabilities			
Provisions	10	117,681	85,955
Total Non-Current Liabilities		<u>117,681</u>	<u>85,955</u>
TOTAL LIABILITIES		<u>5,275,419</u>	<u>6,318,516</u>
NET ASSETS		<u>7,573,477</u>	<u>7,342,457</u>
EQUITY			
Asset Revaluation Reserve	11a	3,660,729	3,660,729
Reserves	11a	-	38,026
Accumulated Surplus	11b	3,912,748	3,643,702
TOTAL EQUITY	11c	<u>7,573,477</u>	<u>7,342,457</u>

This statement should be read in conjunction with the accompanying notes.

STRETTON PARK INCORPORATED

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

	Asset Revaluation Reserve	Restricted Specific Purpose Reserve	Accumulated Surplus	Total
	\$	\$	\$	\$
Balance as at 1 July 2018	2,979,458	38,026	3,351,498	6,368,982
Net result for the year	-	-	292,204	292,204
Other comprehensive income for the year	681,271	-	-	681,271
Balance as at 1 July 2019	3,660,729	38,026	3,643,702	7,342,457
Net result for the year	-	-	231,020	231,020
Transfer to accumulated surplus	-	(38,026)	38,026	-
Balance as at 30 June 2020	3,660,729	-	3,912,748	7,573,477

This Statement should be read in conjunction with the accompanying notes

STRETTON PARK INCORPORATED
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	<i>Note</i>	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		2,130,245	2,015,542
Patient and Resident Fees Received		838,000	763,683
Donations and Bequests Received		1,458	7,475
Accommodation Bond and ILU Retentions		86,377	91,974
GST (Paid to)/ Received from ATO		(17,735)	9,095
Other Receipts		226,170	393,375
Employee Expenses Paid		(2,132,532)	(1,999,921)
Payments for Supplies and Consumables		(785,603)	(740,660)
Cash Generated from Operations		<u>346,380</u>	<u>540,563</u>
Capital Donations and Bequests Received		18,752	33,528
NET CASH INFLOW FROM OPERATING ACTIVITIES	<i>12</i>	<u>365,132</u>	<u>574,091</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Disposal) / Purchase of Investments*		(606,510)	6,688,847
Purchase of Properties, Plant and Equipment		(506,456)	(58,190)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		<u>(1,112,966)</u>	<u>6,630,657</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of residential accommodation deposits and ingoings (net)		(472,219)	(110,248)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		<u>(472,219)</u>	<u>(110,248)</u>
NET (DECREASE) / INCREASE IN CASH HELD		<u>(1,220,053)</u>	<u>7,094,500</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		7,408,033	313,533
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<i>4</i>	<u>6,187,980</u>	<u>7,408,033</u>

* Prior year restated in line with AASB 107 *Cash Flow Statements*

This Statement should be read in conjunction with the accompanying notes.

STRETTON PARK INCORPORATED

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

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STRETTON PARK INCORPORATED

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Stretton Park Incorporated as an individual entity, incorporated and domiciled in Australia. Stretton Park Incorporated is a not-for-profit incorporated association.

Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statement are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation

The financial statements, except the cash flow information, has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax

As the incorporated Association is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and, if applicable, bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**
(c) Receivables

Receivables are recognised and carried at original invoice amount. Collectability of debts is reviewed on an ongoing basis and debts which are known to be uncollectible are written off. An expected credit loss is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

(d) Property, Plant and Equipment*Freehold land and buildings*

Land and buildings are shown at fair value, based on periodic, at least every 3 - 5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the estimated replacement cost of the asset. The cost of plant and equipment constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

STRETTON PARK INCORPORATED

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

(d) Property, Plant and Equipment continued

Depreciation

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

The depreciation method and rates used for each class of depreciable asset are

Class of Plant and Equipment	Depreciation rates	Depreciation method
Buildings	2%	Straight line method
Plant, Vehicles and Furniture	10% - 100%	Straight line method
Furniture and Fittings	10% - 100%	Straight line method

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial performance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained surplus.

(e) Impairment of non-financial assets

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

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****(f) Investments and other financial assets****Classification**

The Association classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- (ii) those to be measured at amortised cost.

The classification depends on the Association's business model for managing the financial assets and the contractual terms of the cash flows.

The Association measures its investments and other financial assets at amortised cost.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Association commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Association measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

The Association assesses whether there has been a significant increase in credit risk. For trade receivables, the Association applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. At 30 June 2020, the Association did not have any trade receivables.

The Association classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

STRETTON PARK INCORPORATED

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

(f) Investments and other financial assets continued

Reclassification

The Association could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Association could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Association had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

Subsequent measurement

The measurement at initial recognition did not change on adoption of AASB 9, see description above. Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

For financial assets at FVPL, gains or losses arising from changes in the fair value were recognised in profit or loss within other gains/(losses).

Impairment

The Association assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****(f) Investments and other financial assets continued***Assets carried at amortised cost*

For receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss. At 30 June 2020 and 30 June 2019, the Association did not have any trade receivables.

(g) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to reporting date. 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, plus related on-costs. 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.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(h) 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 recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(i) Revenue Recognition*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****(i) Revenue Recognition continued***Sales revenue and donations*

Fundraising and donations are recognised when received or receivable.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

When grant revenue is received whereby the Association 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.

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

STRETTON PARK INCORPORATED

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

(k) Critical Accounting Estimates and Judgments

The Committee evaluates estimates and judgments incorporated into the financial report 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 Association.

Key Estimates

Impairment

The Association assesses impairment at each reporting date by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of property, plant and equipment at reporting date.

Employee benefits provision

As per Note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(l) Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:

(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle; or

(ii) it is held primarily for the purpose of trading; or

(iii) it is expected to be realised within 12 months after the reporting period; or

(iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or

(iii) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****(m) New, revised or amending Accounting Standards and Interpretations adopted**

During the current year, the Association has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

There are no new and revised accounting standards issued but not yet effective as at the date of signing of the financial statements which the Association has decided to early adopt.

The following Accounting Standards and Interpretations are most relevant to the Association:

AASB 15 Revenue from Contracts with Customers

The Association has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****(m) New, revised or amending Accounting Standards and Interpretations adopted***AASB 16 Leases*

The Association has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities

The Association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

STRETTON PARK INCORPORATED

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

(m) New, revised or amending Accounting Standards and Interpretations adopted

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The following Accounting Standards and Interpretations are due for implementation: it is expected the implementation will have no impact.

- AASB 17 *Insurance Contracts*
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

(n) Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

(o) Comparative Figures

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

(p) Accommodation Bonds and Refundable Accommodation Deposits (RAD's)

Accommodation bonds and Refundable Accommodation Deposits are non-interest bearing deposits made by aged care facility residents to the entity upon their admission. The liability for accommodation bonds and refundable accommodation deposits is carried at the amounts that would be payable on exit of the resident. This is the amount received on entry of the resident less deduction for fees and retentions pursuant to the Aged Care Act 1997 and the Fees and Principles Act 2014 (No.2). Accommodation bonds are classified as current liabilities as the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time.

(q) Independent Living Unit Resident Loans

Resident loan liabilities represent the amount payable to a resident on the termination of the resident's occupation rights to an independent living unit. The liability is recognised as the value of the loan at balance date, and recognised on the balance sheet accordingly. Changes in the resident loan liability are recorded in the comprehensive income statement.

Independent living unit resident loans are classified as current liabilities, as payment to the resident occurs upon the resident vacating the unit.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****(r) Economic dependence**

Stretton Park Hostel Inc. is dependent on the contributed financial support of the Government and in particular, the Department of Health.

STRETTON PARK INCORPORATED

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

NOTE 2: REVENUE

	2020 \$	2019 \$
(a) Care Income		
Subsidies and Supplements - Commonwealth *	1,795,968	1,665,624
Resident Fees - Means Tested Care Fees	94,685	70,759
Total Residential Care Income	<u>1,890,653</u>	<u>1,736,383</u>
(b) Accommodation Income		
Subsidies and Supplements - Commonwealth *	334,278	349,918
Resident Accommodation Payments and Charges	109,463	124,996
Accommodation Bond Retention Amounts	-	1,324
Total Residential Accommodation Income	<u>443,741</u>	<u>476,238</u>
(c) Other Resident Fee Income		
Basic Daily Fee	747,107	751,356
Total Other Resident Fee Income	<u>747,107</u>	<u>751,356</u>
(d) Financing Income		
Interest Income	101,333	157,796
Total Financing Income	<u>101,333</u>	<u>157,796</u>
(e) Independent Living Unit Income		
ILU Maintenance Charge	52,507	48,388
ILU Bond Retentions	86,376	90,650
Total Independent Living Unit Income	<u>138,883</u>	<u>139,038</u>
(f) Other Income		
Donations and Fundraising	320	3,258
Other income	66,567	14,399
Total Other Income	<u>66,887</u>	<u>17,657</u>
TOTAL OPERATING REVENUE	<u>3,388,604</u>	<u>3,278,468</u>
(g) Capital Income		
Capital Donations	19,890	36,437
	<u>19,890</u>	<u>36,437</u>
TOTAL REVENUE	<u>3,408,494</u>	<u>3,314,905</u>

* Adjustment to prior year figures for allocation correction

STRETTON PARK INCORPORATED

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

NOTE 3: EXPENDITURE

	2020 \$	2019 \$
(a) Employee Benefits		
Salaries and Wages	1,935,708	1,862,705
Workcover	34,043	31,621
Superannuation	160,161	158,018
	<u>2,129,912</u>	<u>2,052,344</u>
(b) Supplies and Consumables		
Medical and Surgical Supplies	24,858	21,126
Patient Expenses	28,551	24,143
Drug Supplies	1,583	1,323
Food Supplies	195,872	170,286
	<u>250,864</u>	<u>216,878</u>
(c) Other Expenses		
Domestic Services and Supplies	89,663	82,911
Fuel, Light, Power and Water	110,824	104,150
Repairs and Maintenance	57,676	65,197
Administration Expenses	280,177	250,591
Insurances	23,690	21,492
Audit Fee	7,586	6,530
	<u>569,616</u>	<u>530,871</u>
(d) Depreciation		
Buildings	203,209	198,378
Plant and Equipment		
Plant	3,870	5,100
Transport	2,000	2,000
Medical	6,288	5,761
Non Medical	4,910	4,227
Communications	4,379	4,871
Furniture and Fittings	<u>2,426</u>	<u>2,271</u>
	<u>227,082</u>	<u>222,608</u>
TOTAL EXPENDITURE	<u><u>3,177,474</u></u>	<u><u>3,022,701</u></u>

STRETTON PARK INCORPORATED

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

NOTE 4: CASH and CASH EQUIVALENTS

For the purpose of the Cash Flow Statement, cash includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

This excludes Patient monies held in trust.

These funds form part of the working capital of the Hostel.

	2020	2019
	\$	\$
CASH ON HAND		
Financial Institutions*	105,641	719,184
Term Deposits less than 90 days*	<u>6,082,339</u>	<u>6,688,849</u>
	<u><u>6,187,980</u></u>	<u><u>7,408,033</u></u>

* Prior year restated to adjust for term deposits held greater than three months

NOTE 5: RECEIVABLES

Current

Resident Fees	125,133	18,000
Commonwealth benefits	25,587	12,063
Accrued Income	6,963	20,130
GST Receivable	<u>23,161</u>	<u>5,426</u>
TOTAL	<u><u>180,844</u></u>	<u><u>55,619</u></u>

NOTE 6: FINANCIAL ASSETS

Term Deposits	<u><u>152,976</u></u>	<u><u>149,599</u></u>
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Term deposits are classified as financial assets when the investment term is greater than three months in line with AASB 107 *Cash Flow Statements*.

STRETTON PARK INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****NOTE 7: MONIES HELD IN TRUST**

	2020	2019
	\$	\$
Current		
Independent Living Units Resident Contributions	1,526,829	1,472,019
Refundable Deposits and Accommodation Bonds		
Amounts due and payable	354,000	780,000
Amounts payable within 12 months (est.)	769,357	1,398,574
Amounts payable after 12 months (est.)	<u>2,058,380</u>	<u>2,133,324</u>
Total Refundable Deposits and Accommodation Bonds	<u>3,181,737</u>	<u>4,311,898</u>
Resident Monies received and amounts owing	<u>4,708,566</u>	<u>5,783,917</u>
This consists of the balance due to residents from Ingoings and Accommodation Bonds and Refundable Accommodation Deposits paid at time of entry, less retentions to date.		
Represented by the following restricted assets		
Short Term Investments relating to accommodation bonds *		
Term Deposits	6,082,339	6,688,849
Financial Assets	<u>152,976</u>	<u>149,599</u>
TOTAL	<u>6,235,315</u>	<u>6,838,448</u>

* Prior year restated in line with AASB 107 Cash Flow Statements

Stretton Park Hostel Inc. Board is confident that that they will be able to meet resident trust commitments when they arise.

STRETTON PARK INCORPORATED

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

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2020 \$	2019 \$
Land		
Crown Land at Valuation	1,050,000	1,050,000
Freehold Land at Valuation	950,000	950,000
Total Land	<u>2,000,000</u>	<u>2,000,000</u>
Buildings		
Works in Progress	527,015	61,761
	<u>527,015</u>	<u>61,761</u>
Buildings at Valuation	10,160,460	10,160,460
Less Accumulated Depreciation	(6,536,652)	(6,333,443)
Total Buildings	<u>4,150,823</u>	<u>3,888,778</u>
Plant and Equipment at Cost		
-Plant	93,673	84,909
Less Accumulated Depreciation	(42,962)	(39,092)
-Transport	20,000	20,000
Less Accumulated Depreciation	(6,668)	(4,668)
-Major Medical	85,671	84,320
Less Accumulated Depreciation	(44,925)	(38,636)
-Computers and Communications	91,166	91,166
Less Accumulated Depreciation	(86,323)	(81,944)
-Other Equipment	92,217	91,127
Less Accumulated Depreciation	(64,487)	(59,578)
Total Plant and Equipment	<u>137,362</u>	<u>147,604</u>
Furniture and Fittings at Cost	151,011	121,013
Less Accumulated Depreciation	(112,100)	(109,673)
Total Furniture and Fittings	<u>38,911</u>	<u>11,340</u>
Total Property, Plant and Equipment	<u><u>6,327,096</u></u>	<u><u>6,047,722</u></u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Land	Buildings	Plant and Equipment	Furniture and Fittings	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2018	1,900,000	3,478,996	138,262	13,611	5,530,869
Additions	-	26,889	31,301	-	58,190
Depreciation (refer Note 3d)	-	(198,378)	(21,959)	(2,271)	(222,608)
Revaluation	100,000	581,271	-	-	681,271
Balance as at 1 July 2019	<u>2,000,000</u>	<u>3,888,778</u>	<u>147,604</u>	<u>11,340</u>	<u>6,047,722</u>
Additions	-	465,254	11,205	29,997	506,456
Depreciation (refer Note 3d)	-	(203,209)	(21,447)	(2,426)	(227,082)
Balance as at 30 June 2020	<u>2,000,000</u>	<u>4,150,823</u>	<u>137,362</u>	<u>38,911</u>	<u>6,327,096</u>

Revaluation of land and buildings

Land and buildings were revalued by Gippsland Property Valuations. The valuation, which conforms to Australian valuation standards, was determined by reference to the basis of the value of the land and site improvements together with an assessment of the "highest and best use" of the land and the structural improvements on the land. The effective date of the valuation is at 30 June 2019.

STRETTON PARK INCORPORATED

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

NOTE 9: PAYABLES

	2020	2019
	\$	\$
Current		
Trade Creditors	57,290	1,981
Accrued Expenses	59,545	77,393
Income in advance - Resident Fees	-	2,585
TOTAL	<u>116,835</u>	<u>81,959</u>

NOTE 10: PROVISIONS

	2020	2019
	\$	\$
Current Provisions		
Long Service Leave	154,144	150,848
Accrued Wages and Salaries	52,134	65,272
Accrued Days Off	-	1,304
Annual Leave	126,059	149,261
	<u>332,337</u>	<u>366,685</u>
Non-Current Provisions		
Long Service Leave	<u>117,681</u>	<u>85,955</u>
TOTAL PROVISIONS	<u>450,018</u>	<u>452,640</u>

The following assumptions were adopted in measuring present value:

Wage Inflation Rate	4.25%	4.31%
On-Cost Factor	11.0%	11.0%

(a) Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. 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 included in Note 1(g).

STRETTON PARK INCORPORATED

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

NOTE 11: EQUITY AND RESERVES

	2020 \$	2019 \$
(a) Reserves		
Asset Revaluation Reserve		
Land		
Balance at the beginning of the reporting period	1,908,710	1,808,710
Revaluation Increments	-	100,000
Balance at the end of the reporting period	1,908,710	1,908,710
Building		
Balance at the beginning of the reporting period	1,752,019	1,170,748
Revaluation Increments	-	581,271
Balance at the end of the reporting period	1,752,019	1,752,019
Asset Revaluation Reserve at the end of the reporting period	<u>3,660,729</u>	<u>3,660,729</u>
Restricted Special Purpose reserve		
Balance at the beginning of the reporting period	38,026	38,026
Transfer of Cash Surplus of Special Funds (from)/to funds	(38,026)	-
Balance at the end of the reporting period	<u>-</u>	<u>38,026</u>
Total Reserves at the end of the reporting period	<u>3,660,729</u>	<u>3,698,755</u>
(b) Accumulated Surplus		
Balance at the beginning of the reporting period	3,643,702	3,351,498
Net Result for the Year	231,020	292,204
Transfer from/(to) Reserves	38,026	-
Balance at the end of the reporting period	<u>3,912,748</u>	<u>3,643,702</u>
(c) Equity		
Total Equity at the Beginning of the reporting period	7,342,457	6,368,982
Total Changes in Equity Recognised in the Comprehensive Operating Statement	231,020	292,204
Revaluation Increments	-	681,271
Total Equity at the reporting date	<u>7,573,477</u>	<u>7,342,457</u>

STRETTON PARK INCORPORATED

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

NOTE 12: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2020	2019
	\$	\$
Net Result for the Year	231,020	292,204
NON CASH MOVEMENTS		
Depreciation	227,082	222,608
Change in Operating Assets and Liabilities		
Increase in Payables	34,876	7,086
(Decrease)/Increase in Employee Benefits	(2,621)	52,424
Increase in Receivables	(125,225)	(231)
	<u>365,132</u>	<u>574,091</u>

STRETTON PARK INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: SEGMENT REPORTING

	Independent Living		Residential Aged Care		Total	
	Units					
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Segment Revenue	162,490	176,573	3,246,008	3,138,332	3,408,498	3,314,905
Total Revenue	162,490	176,573	3,246,008	3,138,332	3,408,498	3,314,905
Segment Expense	43,665	42,780	2,906,724	2,757,312	2,950,389	2,800,092
Depreciation & Amortisation	90,833	89,044	136,249	133,565	227,082	222,609
Total Expense	134,498	131,824	3,042,973	2,890,877	3,177,471	3,022,701
Net Result for Year	27,992	44,749	203,035	247,455	231,027	292,204
Segment Assets	4,772,396	4,912,789	8,031,048	8,748,184	12,803,444	13,660,973
Total Assets	4,772,396	4,912,789	8,031,048	8,748,184	12,803,444	13,660,973
Segment Liabilities	1,526,829	1,472,019	3,710,427	4,846,497	5,237,256	6,318,516
Total Liabilities	1,526,829	1,472,019	3,710,427	4,846,497	5,237,256	6,318,516
Net Assets	3,245,567	3,440,770	4,320,621	3,901,687	7,566,188	7,342,457

The major products/services from which the above segments derive revenue are:

Business Segments	Services
Independent Living Units	
Stretton Park Hostel	
	Independent Living Units
	Aged Care Services

Geographical Segment

Stretton Park operates predominantly in East Gippsland, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in East Gippsland, Victoria.

STRETTON PARK INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
NOTE 14: FINANCIAL RISK MANAGEMENT			
Financial Risk Management Policies			
The Association's financial instruments consist mainly of deposits with banks, short-term deposits and accounts receivable and payable.			
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
Financial Assets			
Cash and cash equivalents *	4	6,187,980	7,408,033
Loans and receivables	5	157,683	50,193
Term Deposits *	6	152,976	149,599
Total Financial Assets		<u>6,498,639</u>	<u>7,607,825</u>
* Prior year restated in line with AASB 107 Cash Flow Statements			
Financial Liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	9	116,835	81,959
Monies held in trust at amortised cost	7	4,708,566	5,783,917
Total Financial Liabilities		<u>4,825,401</u>	<u>5,865,876</u>

NOTE 15: COMMITMENTS

Capital Expenditure Commitments

Redevelopment Stage 1	2,665,778	-
Total Capital Commitments	<u>2,665,778</u>	<u>-</u>

NOTE 16: CONTINGENT LIABILITIES & CONTINGENT ASSETS

There are no known contingent liabilities or contingent assets at reporting date (2019 \$0).

STRETTON PARK INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: RESPONSIBLE PERSON RELATED DISCLOSURES

(a) Responsible Persons

Members of the Board of Management of the Hostel during the year were:	Period from	Period to
Helen Montague (Chair)	Jul-19	Jun-20
Patricia Gray	Jul-19	Jun-20
Russell Macqueen	Jul-19	Jun-20
Katherine Crooke	Jul-19	Jun-20
Louise Rys	Jul-19	Jun-20
Lindsay Wigg	Jul-19	Jun-20
Sue Lawrence	Jul-19	Jun-20
Terrence Donahoe (Vice Chair)	Jul-19	Jun-20
Nicholas Munro (Treasurer)	Jul-19	Jun-20

The Accountable Officer was Frank Evans, Chief Executive Officer - Central Gippsland Health Service (until 16 December 2019).

The Accountable Officer is Paul Head, Executive Director of Aged and Ambulatory Care - Central Gippsland Health Service (from 16 December 2019).

(b) Remuneration of Responsible Persons

No remuneration was received by Responsible Persons in connection with the management of Stretton Park Hostel Inc. The remuneration of the Accountable Officer is the responsibility of Central Gippsland Health Service.

(c) Retirement Benefits Of Responsible Persons

No retirement benefits were paid in connection with the retirement of Responsible Persons of the Hostel.

(d) Other Transactions of Responsible Persons and their Related Entities

There were no transactions with Responsible Persons and their Related Entities.

NOTE 18: EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after the balance date that would substantially affect the operation of the Hostel.

NOTE 19: RELATED PARTY TRANSACTIONS

Related parties include close family members of key management personnel (KMP) and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members. Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year there were no transactions with related parties which were entered into by the Association.

STRETTON PARK INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION		
Any person(s) having authority or responsibility for planning and controlling the activities of the Association, directly or indirectly, including any committee member (whether executive or otherwise) of that entity is considered key management personnel (KMP).		
Total compensation paid to KMP	<u>-</u>	<u>-</u>

STRETTON PARK INCORPORATED**STATEMENT BY THE MEMBERS OF THE COMMITTEE**

In accordance with a resolution by the members of the Committee of Stretton Park Incorporated, the members of the Committee of the Association declare that:

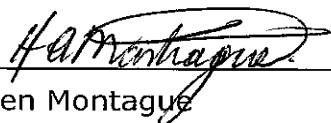
1. The financial statements and notes, as set out on pages 2 to 32, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

a. Comply with Australian Accounting Standards Reduced Disclosure Requirements; and

b. Give a true and fair view of the financial position of the Association as at 30 June 2020 and of its performance for the financial year ended on that date; and

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

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



Helen Montague
Chair



Nicholas Munro
Treasurer

Dated this 28th day of October 2020.



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Independent Auditor's Report to the Members of Stretton Park Incorporated

Opinion

We have audited the financial report of Stretton Park Incorporated (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the committee of management.

In our opinion, the accompanying financial report of the Stretton Park Incorporated has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *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.

Other Information

The committee of management is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Liability limited by a scheme approved under Professional Standards Legislation.

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

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Committee of Management for the Financial Report

The committee of management of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Associations Incorporation Reform Act 2012* and the ACNC Act and for such internal control as the committee of management 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 of management is responsible for assessing the ability of the Association 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 of management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The committee of management is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance'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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to



draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluates 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.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

A handwritten signature in dark ink that reads "Crowe Vic".

CROWE VIC

A handwritten signature in dark ink, appearing to read "G. Robertson".

GORDON ROBERTSON

Partner

Dated at Warragul this 28th day of October 2020

CONTACT INFORMATION



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