BAPTIST CARE (SA) INCORPORATED
A.B.N. 81 257 754 846

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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BAPTIST CARE (SA) INCORPORATED
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STATEMENT BY THE BOARD

The Board have determined that Baptist Care (SA) Incorporated is a reporting entity.

The Board declares that, in the Board's opinion:

1. The financial statements and notes, as set out on pages 6 to 22 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

    a. Comply with Australian Accounting Standards - Reduced Disclosure Requirements.

    b. Give a true and fair view of Baptist Care (SA) Incorporated's position as at 30 June 2020 and of its performance for the year ended on that date.

2. At the date of this statement, there are reasonable grounds to believe that Baptist Care (SA) Incorporated will be able to pay its debts as and when they fall due.

3. No officer or no firm of which an officer is a member or no corporation in which an officer has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and Baptist Care (SA) Incorporated.

4. No officer has received directly or indirectly any payment or other benefit of a pecuniary value other than remuneration payments to employees and reimbursements of out-of-pocket expenses in relation to Baptist Care (SA) Incorporated. Disclosures relating to key management personnel are set out in note 22.

Signed in accordance with a resolution of the Members of the Board made on the 28 September 2020 and signed for and on behalf of the Board by:

Ms Julie Lawrie
Chair

Mr Michael Hynes
Acting Chief Executive Officer

BAPTIST CARE (SA) INCORPORATED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Income			
Revenue	3	61,704,906	60,423,587
Other Income	4	403,209	612,916
Expense			
Employee benefit expense		54,708,930	53,755,456
Depreciation		1,546,095	909,523
Amortisation expense		123,075	59,105
Direct expenses for client support		3,109,939	3,795,113
Other expenses from ordinary activities	5	3,343,630	2,967,315
Operating surplus / (deficit)		**(723,554)**	**(450,009)**
Gain / (loss) on disposal of assets		43,162	(21,154)
Net donation from Baptist Care (SA) Foundation	1d	722,223	680,584
Income for the year		**41,831**	**209,421**
Other comprehensive income			
Items that will not be reclassified subsequently to surplus or deficit			
Revaluation land and building 2020	11	512,848	-
Total comprehensive income for the year		**554,679**	**209,421**

The accompanying notes form part of these financial statements

BAPTIST CARE (SA) INCORPORATED
A.B.N. 81 257 754 846

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020	2019
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	16,310,763	19,138,284
Other financial assets	7	4,136,746	4,136,746
Trade and other receivables	8	6,127,418	5,534,381
Other current assets	9	267,791	231,999
Total current assets		**26,842,718**	**29,041,410**
Non-current assets			
Right of use assets	10	921,846	-
Property, plant and equipment	11	22,485,261	18,666,436
Intangibles	12	1,610,855	1,269,352
Total non-current assets		**25,017,962**	**19,935,788**
Total assets		**51,860,680**	**48,977,198**
LIABILITIES			
Current liabilities			
Trade and other payables	13	2,515,187	2,233,724
Right of use lease liabilities	14	364,193	-
Provisions	15	1,124,026	1,436,754
Other current liabilities	16	2,689,432	2,436,912
Total current liabilities		**6,692,838**	**6,107,390**
Non-current liabilities			
Non-current provisions	17	2,496,765	1,339,153
Right of use lease liabilities	18	585,743	-
Total non-current liabilities		3,082,508	1,339,153
Total liabilities		**9,775,346**	**7,446,543**
Net assets		**42,085,334**	**41,530,655**
EQUITY			
Retained surpluses		37,890,247	37,790,341
Reserves	19	4,195,087	3,740,314
Total equity		**42,085,334**	**41,530,655**

The accompanying notes form part of these financial statements

BAPTIST CARE (SA) INCORPORATED
A.B.N. 81 257 754 846

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

	Retained Surplus	Asset Revaluation Reserve	Collaborative Community Projects Fund	Total
Balance as at 30 June 2018	37,535,270	3,535,964	250,000	41,321,234
Surplus (deficit)	209,421	-	-	209,421
Other comprehensive income	-	-	-	-
Total comprehensive income	209,421	-	-	209,421
Transfer to reserves	45,650	-	(45,650)	-
Balance as at 30 June 2019	37,790,341	3,535,964	204,350	41,530,655
Surplus (deficit)	41,831	-	-	41,831
Other comprehensive income	-	512,848	-	512,848
Total comprehensive income	41,831	512,848	-	554,679
Transfer to reserves	58,075	-	(58,075)	-
Balance as at 30 June 2020	37,890,247	4,048,812	146,275	42,085,334

The accompanying notes form part of these financial statements

BAPTIST CARE (SA) INCORPORATED
A.B.N. 81 257 754 846

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from government, customers and supporters		62,119,038	69,034,070
Payments to suppliers and employees		(59,875,624)	(66,153,375)
Interest received		403,209	570,058
Net cash inflow (outflow) from operating activities	21	2,646,623	3,450,753
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		101,148	130,373
Purchase of property, plant and equipment		(4,989,952)	(3,191,413)
Net cash inflow (outflow) from investing activities		(4,888,804)	(3,061,040)
Cash flows from financing activities			
Repayment of lease liabilities		(585,340)	-
Net cash inflow (outflow) from financing activities		(585,340)	-
Net increase in cash and cash equivalents		(2,827,521)	389,713
Cash and cash equivalents at beginning of period		19,138,284	18,748,571
Cash and cash equivalents at end of period	6	16,310,763	19,138,284

The accompanying notes form part of these financial statements

The financial statements cover Baptist Care (SA) Incorporated as an individual entity. Baptist Care (SA) Incorporated is an Association incorporated in South Australia under the Associations Incorporation Act 1985. Baptist Care (SA) Incorporated is referred to as the Association in these financial statements.

The financial statements were authorised for issue on 28 September 2020 by Baptist Care (SA) Incorporated.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

AASB 15 Revenue from contract 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.

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.

Impact of adoption
AASB 15 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.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

New or amended Accounting Standards and Interpretations adopted (cont)

	1-Jul 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	73,109
Short-term leases not recognised as a right-of-use asset (AASB 16)	(13,888)
Low-value assets leases not recognised as a right-of-use asset (AASB 16)	(13,526)
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4% (AASB 16)	(2,109)
Plus: effect of extension options reasonably certain to be exercised	1,463,600
Right-of-use assets (AASB 16)	1,507,186
Lease liabilities - current (AASB 16)	(557,250)
Lease liabilities - non-current (AASB 16)	(949,936)
Increase in opening retained profits as at 1 July 2019	-

Basis of Preparation

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 requirements of the Associations Incorporation Act 1985 South Australia and with the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The financial statements are presented in Australian dollars.

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(a) Income Tax

The Association is registered as a Public Benevolent Institution and is therefore exempt from income tax.

(b) Intangibles

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between 5 and 10 years. It is assessed annually for impairment.

(c) Properties, furnishings, equipment and vehicles

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation the Board review Board valuations to ensure the land and buildings' carrying amount is not materially different to the fair value in response to material events that are considered to be reasonably known.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Revaluation decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are recognised in income and expenditure.

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.

All property was revalued as at 30 June 2020 by licensed valuers. The basis of valuation was dependent upon the nature of the property valued and included "written down current cost" for specialised assets and a "highest and best use" basis for non-specialised assets.

Leasehold Improvements

Leasehold Improvements were valued as part of the valuation process as at 30 June 2020 by licensed valuers. Leasehold improvements are recognised as assets of the Association where the Association has contributed to the value of the assets and where the economic benefits of the assets is contractually certain under lease arrangements.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increase of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

(c) Properties, furnishings, equipment and vehicles (cont)

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 recognised either in a 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.

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

Plant and equipment that have been contributed at no cost or for nominated 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, but excluding freehold land, is depreciated on both a straight line and diminishing value basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Buildings	2.50%
Furniture and fittings & leasehold improvements	10-20%
Plant and equipment	7.5 - 33.3%
Motor vehicles	17%

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

(d) Baptist Care (SA) Foundation

Baptist Care (SA) Foundation was formed by the Baptist Churches of South Australia as a public ancillary fund. The objects of Baptist Care (SA) Foundation are *'to provide money, property or benefits'* exclusively to the Association.

Since its formation, the Association has both donated to and received from the Baptist Care (SA) Foundation as permanent contributions.

	2020	2019
	$	$
Donation to the Association	722,223	680,584
Donation from Baptist Care (SA) Incorporated	-	-
Total Net donation from Baptist Care (SA) Foundation	722,223	680,584

These amounts have been brought to account by the Association in the Statement of Comprehensive Income.

(e) Estate of the late FTT Fricker

The Association acts as the Trustee of the Estate of FTT Fricker pursuant to a Trust Variation Scheme executed in October 2017. The financial statements of the Estate of FTT Fricker are presented independently to these financial statements and subject to independent audit. The amount held in Trust does not impact upon the net asset position disclosure by the Association.

Since its formation, the Association has received from Baptist Care (SA) Incorporated as Trustee For The Fricker Trust revenue in accordance to the trust variation scheme.

	2020	2019
	$	$
Revenue from Baptist Care (SA) Incorporated as Trustee For The Fricker Trust	155,505	43,711

These amounts have been brought to account by the Association in the Statement of Comprehensive Income.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance 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. 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.

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(h) Cash and cash equivalents

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

(i) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Association has eight peppercorn leases that are recognised at cost value. Restrictions to the usage of the properties are outlined in the deed arrangements and extend to the usage to support community services and to support those in need of housing. In addition to those properties there is short term arrangements for temporary housing accommodation, until housing arrangements have been established.

(j) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the 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.

Fees and Services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Payment terms for services provide are based on the client and services provide and range from payment at the time of service to net 30 days.

Grant Revenue

Grant revenue is recognised in income for the year 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.

Grant revenue is received through funding arrangements with Commonwealth, State and Local government organisations to support client services and or government programs as delivered by the Association.

Payment terms for grant revenue is quarterly, in advance or inline with an established arrangements, as outlined in the funding agreement.

Events, fundraising and raffles are recognised when received or receivable.

Donations are recognised as revenue upon receipt whereas revenue from the rendering of a service is recognised upon delivery of the service.

Rent revenue

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Payment terms for rent revenue is fortnightly, in advance or inline with Centrelink payments.

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

The Association has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

(k) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Goods and services tax (GST) (cont)

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Impairment of assets

At the end of each reporting period, the Association reviews the carrying amounts 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 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 it is not possible to estimate the recoverable amount of an asset's class, the Association estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued 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.

(m) Comparative figures

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

(n) Fair value of assets and liabilities

The Association 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 that would be received to sell an asset or paid to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing participants at the measurement date.

(o) 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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or 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.

(p) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(s) New accounting standards for application from 1 July 2020

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2020. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 2 CRITICAL ACCOUNTING JUDGEMENTS,ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(a) Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(b) Impairment of non-financial assets

The Association assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(c) Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the 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.

(d) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(e) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTE 3 REVENUE

	2020 $	2019 $
Revenue from contracts with customers		
Government funding and fees	54,663,480	55,716,632
Fees and rents	4,758,691	4,249,939
	59,422,171	59,966,571
Other revenue		
Fundraising, bequests and donations	393,225	314,844
Meals and catering receipts	34,698	51,145
Sundry income	134,955	91,027
Jobkeeper support	1,719,857	-
	2,282,735	457,016
Total revenue	**61,704,906**	**60,423,587**

NOTE 3 REVENUE (cont)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2020 $	2019 $
Major contracts with customers		
Government contracts	43,413,377	50,108,497
NDIS provider contracts	11,250,103	5,608,135
Mentoring and youth services contracts	2,122,524	1,971,233
Housing support services contracts	385,461	422,919
Adventure services contracts	2,175,645	1,781,569
Other program support service contracts	75,061	74,218
	59,422,171	59,966,571
Geographical regions		
South Australia	59,422,171	59,966,571
Timing of revenue recognition		
Services transferred over time	59,422,171	59,966,571

NOTE 4 OTHER INCOME

	2020 $	2019 $
Interest	403,209	612,916
	403,209	612,916

NOTE 5 OTHER EXPENSES FROM ORDINARY ACTIVITIES

includes:

	2020 $	2019 $
Bad and doubtful debts	33,028	4,622
Interest expense and other finance charges	15,646	16,847
Interest - right-of-use lease liabilities	48,109	-
Building rent, cleaning and utilities	426,643	739,083
Depreciation - right-of-use assets	585,340	-

NOTE 6 CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash on hand	17,661	15,197
Moneys on deposit - Less than 90 days	7,109,465	11,494,451
Cash at bank and other financial institutions	9,183,637	7,628,636
Cash at bank and on hand	16,310,763	19,138,284

NOTE 7 OTHER FINANCIAL ASSETS

	2020 $	2019 $
Moneys on deposit - Greater than 90 days	4,136,746	4,136,746
Other financial assets	4,136,746	4,136,746

NOTE 8 TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Service charges, rent receivable and other	472,064	806,650
Less: Allowance for credit losses	(8,742)	(10,338)
	463,322	796,312
Government funding and fees receivable	5,373,437	4,356,146
Workers' compensation payments recoverable	160,098	198,090
Other amounts receivable	130,560	183,833
Total trade and other receivables	6,127,418	5,534,381

NOTE 9 OTHER ASSETS

	2020 $	2019 $
Prepayments	218,450	223,724
Inventory	49,343	8,275
Total other assets	267,793	231,999

NOTE 10 RIGHT OF USE ASSETS

	2020 $	2019 $
Right of use assets	921,846	-
Total right of use assets	921,846	-

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2020 $	2019 $
Opening balance	-	-
Additions	1,507,186	-
Depreciation	(585,340)	-
Closing balance	921,846	-

The Association leases offices has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. The Association leases land and buildings for its offices, and client housing under agreements between two to fifteen years with, in some cases options to extend. The leases have various escalation clauses. On renewal, the terms of the lease are renegotiated. The Association also leases plant anew equipment under agreement of between three to seven years.

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
Freehold Land		
Independent valuation (2017)	-	4,425,000
Independent valuation (2020)	6,380,000	-
Land at cost	-	565,000
Land improvements	30,000	-
Total Land	6,410,000	4,990,000
Buildings		
Independent valuation (2017)	-	6,930,000
Independent valuation (2020)	12,594,868	-
Buildings at cost	-	867,051
Less accumulated depreciation	(107,453)	(403,253)
Total Buildings	12,487,415	7,393,798
Leasehold Improvements		
Independent valuation (2017)	-	3,061,000
Independent valuation (2020)	1,337,558	-
Less accumulated depreciation	(11,237)	(153,050)
	1,326,321	2,907,950
Leasehold improvements work in progress	-	1,448,631
Total Leasehold Improvements	1,326,321	4,356,581
Total Land and Buildings	20,223,736	16,740,379
Plant and Equipment		
Motor Vehicles	2,074,057	1,963,407
Less accumulated depreciation	(1,017,204)	(879,654)
	1,056,853	1,083,753
Equipment	4,109,249	3,856,697
Less accumulated depreciation	(2,904,577)	(3,014,393)
	1,204,672	842,304
Total Plant and Equipment	2,261,525	1,926,057
Total property, plant, and equipment	22,485,261	18,666,436

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

	Land $	Buildings $	Leasehold $	Motor Vehicles $	Equipment $	Total $
Balance at 1 July 2019	4,990,000	7,393,798	4,356,581	1,083,753	842,304	18,666,436
Additions	1,055,000	2,318,434	213,056	346,338	694,229	4,627,057
Disposals	-	-	(201,360)	(62,725)	(161)	(264,246)
Depreciation	-	(341,489)	(74,360)	(310,512)	(330,473)	(1,056,834)
Transfers	-	2,640,245	(2,639,017)	-	(1,228)	-
Revaluation	365,000	476,427	(328,579)	-	-	512,848
Balance at 30 June 2020	6,410,000	12,487,415	1,326,321	1,056,854	1,204,671	22,485,261

NOTE 12 INTANGIBLE ASSETS

	2020 $	2019 $
Intangible assets	1,131,066	573,885
Less amortisation	(511,909)	(407,310)
Software under development	991,698	1,102,777
Total intangible assets	1,610,855	1,269,352

Movements in carrying amounts

Movements in carrying amounts for intangible assets between the beginning and the end of the current financial year.

	Acquired computer software $	Internally developed computer software $	Total $
Balance at 1 July 2019	112,495	1,156,857	1,269,352
Additions		464,578	464,578
Transfers	629,737	(629,737)	-
Amortisation expense	(85,851)	(37,224)	(123,075)
Balance at 30 June 2020	656,381	954,474	1,610,855

NOTE 13 TRADE AND OTHER PAYABLES

	2020 $	2019 $
Trade creditors	936,713	1,012,026
Other creditors and accruals	1,578,474	1,221,698
Total trade and other payables	2,515,187	2,233,724

NOTE 14 CURRENT LIABILITIES - LEASE LIABILITIES

	2020 $	2019 $
Right of use lease liabilities	364,193	-
Total right of use lease liabilities	364,193	-

NOTE 15 PROVISIONS

	2020 $	2019 $
Employee benefits	1,124,026	1,436,754

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Association does not have an unconditional right to defer settlement. However, based on past experience, the Association does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTE 16 OTHER LIABILITIES

	2020 $	2019 $
CURRENT		
Revenue received in advance	2,689,432	2,436,912
Total current other liabilities	2,689,432	2,436,912

NOTE 17 NON-CURRENT LIABILITIES - EMPLOYEE BENEFITS

	2020 $	2019 $
Employee Benefits	2,496,765	1,339,153
Total non-current employee benefits	2,496,765	1,339,153

NOTE 18 NON-CURRENT LIABILITIES - LEASE LIABILITIES

Right of use lease liabilities	585,743	-
Total non-current other liabilities	585,743	-

NOTE 19 RESERVES

	2020 $	2019 $
Revaluation reserve	4,048,812	3,535,964
Collaborative community projects fund reserve	146,275	204,350
Total reserves	**4,195,087**	**3,740,314**

Revaluation Reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings. Land and building valuation is done every three years, with the most recent valuation being completed February 2020.

NOTE 19 RESERVES (cont)

Collaborative Community Projects Fund Reserve

This project funding exists to facilitate partnerships between the Association and local Baptist churches; assisting them by providing resources and greater access to the Association staff expertise to work with vulnerable people in their local community in a creative, community informed, collaborative, participant-led and ongoing manner.

NOTE 20 CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Operating leases contracted for but not capitalised in the financial statements.

	2020 $	2019 $
Payable - minimum lease payments		
- no later than 12 months	10,724	38,960
- between 12 months and 5 years	2,802	34,149
	13,526	73,109

NOTE 21 CASH FLOW INFORMATION

Reconciliation of Cash Flow from operations with surplus from operations

	2020 $	2019 $
Surplus (deficit) from operations	41,831	209,421
Cash flows excluded from surplus attributable to operations		
Non cash flows excluded in surplus		
- Depreciation & Amortisation	1,669,170	968,628
- Loss (Gain) on sale of property, plant and equipment	162,969	15,348
Net fair value gain on other financial assets	22,615	-
Change in assets and liabilities		
- Decrease (Increase) in trade and other receivables	(593,037)	728,836
- Decrease (Increase) in other current assets	(35,792)	(161,187)
- (Decrease) Increase in trade and other payables	281,463	241,251
- (Decrease) Increase in employee benefits	(312,728)	539,054
- (Decrease) Increase in Unearned Revenue	252,520	909,404
- (Decrease) Increase in other provision	1,157,612	-
Cash flow from operations	2,646,623	3,450,755

NOTE 22 NON-CASH INVESTING AND FINANCING ACTIVITIES

	2020 $	2019 $
Additions to the right-of-use assets	1,507,186	2,421

NOTE 23 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liability $	Total $
Balance at 30 June 2019	-	-
Leases recognised on the adoption of AASB 16	1,507,186	1,507,186
Net cash from/(used in) financing activities	(585,340)	(585,340)
Balance at 30 June 2020	921,846	921,846

NOTE 24 STATEMENT OF DONATIONS AND FUNDRAISING

Donations and fundraising reported in operating results

	Income $	Direct Expenditure $	Net Income $
Donations - General	204,806	-	204,806
Donations - Churches	44,679	-	44,679
Donations - Seasonal appeals and sponsors	125,240	(9,691)	115,549
Total donations and fundraising	374,725	(9,691)	365,034
Bequests	18,501	-	18,501
Indirect costs associated with fundraising			
Salaries and on-costs			(105,387)
Office			(61,922)
Net fundraising available for allocation			216,226

Net fundraising was allocated to the following purposes in accordance with donor requests. Non-specified fundraising is allocated on the basis of program need:

NOTE 24 STATEMENT OF DONATIONS AND FUNDRAISING (cont)

Direct Services	
WestCare Day Centre - general operations	120,125
WestCare Day Centre - pastoral care	7,750
WestCare Day Centre - Christmas gifts	2,244
Youth services	17,096
Refugee services - general operations	22,750
Prison Chaplaincy	2,360
Homeless respite Centre	18,501
Other	25,400
	216,226

NOTE 25 REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Accounting Firms MRL Group Pty Ltd, and the current auditor of the company being BDO Audit (SA) Pty Ltd:

	2020 $	2019 $
Payments to auditors for audit fees - MRL Group Pty Ltd	5,000	52,600
Payments to auditors for audit fees - BDO Audit (SA) Pty Ltd	40,700	-
Payments to auditors for professional advice - BDO Audit (SA) Pty Ltd	3,168	-
	48,868	52,600

NOTE 26 FINANCIAL INSTRUMENTS

Assets
(i) at call and term deposits with banks and other financial institutions
(ii) accounts receivable

Liabilities
(iii) loans from financial institutions
(iv) hire purchase arrangements with financial institutions
(v) accounts payable

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2020 $	2019 $
Financial assets at amortised cost			
Cash and cash equivalents	6	16,310,763	19,138,284
Trade and other receivables	8	6,127,418	5,534,381
Other financial assets	7	4,136,746	4,136,746
Total		26,574,927	28,809,411
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	13	2,515,187	2,233,724
Right of use lease liabilities	14, 18	949,936	-
Total		3,465,123	2,233,724

The following table details the movement of the allowance for expected credit losses on trade and other receivables to which the simplified approach has been applied under AASB 9.

	2020 $	2019 $
Loss allowance – Trade and other receivables		
Opening balance	10,338	11,846
Impact of adoption of AASB 9	-	(4,573)
Charges for the period	(1,596)	3,065
Amounts written off	-	-
Closing balance	**8,742**	**10,338**

The following table provides information regarding the Association's credit risk exposures in relation to trade and other receivables.

30-June-2020	Expected credit loss rate	Gross carrying amount $	Expected credit loss $
Days past due			
Current	0%	202,453	-
< 30 days	1%	409,515	4,095
30 - 60 days	2%	61,584	1,232
61 - 90 days	3%	15,149	454
> 91 days	4%	74,023	2,961
Government Funding	0%	5,373,437	-
Total		6,136,160	8,742

NOTE 26 FINANCIAL INSTRUMENTS (cont)

30-June-2019	Expected credit loss rate	Gross carrying amount	Expected credit loss
		$	$
Days past due			
Current	0%	270,892	-
< 30 days	1%	566,345	5,663
30 - 60 days	2%	34,836	697
61 - 90 days	3%	75,840	2,275
> 91 days	4%	42,570	1,703
Government Funding	0%	4,554,236	-
Total		5,544,719	10,338

Financial Risk Management Policies

The Board together with the Chief Executive Officer and Executive Leader - Corporate Services are responsible for, among other issues, monitoring and managing financial risk exposures of the entity. Discussions on monitoring and managing financial risk also occur at a governance level as part of regular Board meetings.

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

Financial Risks

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The table below details the categories of financial instruments disclosed in the financial accounts, the interest rate assessed risk level and the reasoning.

Financial	Assessed risk	Reasoning
Financial Assets		
Cash and cash equivalents	Low	Cash is maintained at variable interest rates.
Receivables	Low	Short term assets - not affected by changes in interest rates.
Financial		
Financial Liabilities at amortised cost		
- trade and other payables	Low	Current liabilities are not affected by changes in interest rates.
- borrowings	Low	There are no current borrowings. All hire purchase arrangements are at fixed rates set at the time of entering the contract arrangements.

Sensitivity

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact on how surplus and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus	Equity
	$	$
Year ended 30 June 2020		
+ 0.50 in interest rates	93,259	189,451
- 0.50% in interest rates	(93,259)	(189,451)
Year ended 30 June 2019		
+ 0.50 in interest rates	96,983	188,952
- 0.50% in interest rates	(96,983)	(188,952)

Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligation related to financial liabilities. The Association manages this risk through the following mechanisms:

- Maintenance of constant information systems and daily monitoring of cash flows;
- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Net fair values

No financial assets or liabilities are readily traded on organised markets in standardised form.
All other net fair values of financial instruments are materially in line with carrying values.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$
Financial								
Trade and other payables	2,515,187	2,233,724	-	-	-	-	2,515,187	2,233,724
Right of use lease liabilities	364,193	-	585,743	-	-	-	949,936	-
Borrowings	-	-	-	-	-	-	-	-
Total Financial	2,879,380	2,233,724	585,743	-	-	-	3,465,123	2,233,724

NOTE 27 CAPITAL MANAGEMENT

The Board and Senior Management Team manage the capital of the Association. The primary objective of capital management is to ensure that government grant contracts and integrity of funding sources are honoured while ensuring the pursuit of the constitutional objects of the organisation through ethical Christian service and prudent stewardship.

The Association adheres to a strong and responsible management policy in relation to capital management of funds including regular assessment of liquidity, strict adherence to prudential standards and principles, and conservative protection over cash and physical assets.

The Association management guidelines ensure minimisation of credit risk and maximisation of capital preservation.

NOTE 28 RELATED PARTY TRANSACTIONS

Compensation
The aggregate compensation made to officers and other members of key management personnel of the Association is $944,260.

Transactions with related parties
There were transactions with related parties during the current and previous financial year with Baptist Care (SA) Foundation, with one board member serving as director on, Baptist Care (SA) Foundation Nominees Pty Ltd the Trustee for Baptist Care (SA) Foundation and transaction amounts are detailed in 1(d). In addition there were transaction with Baptist Care (SA) Incorporated as Trustee For The Fricker Trust, and transaction amounts are detail in 1(e).

Receivable from and payable to related parties
In the current reporting period Baptist Care (SA) Incorporated as Trustee For The Fricker Trust was owing to the Association $47,596, there were no trade payable to related parties at the current and previous reporting date. There were no trade receivables from or trade payables to related parties at the previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

NOTE 29 EVENTS AFTER THE REPORTING DATE

No matter or circumstance has arisen since 1 July 2020 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

NOTE 30 ASSOCIATION DETAILS

The registered office of the association is:

Baptist Care (SA) Incorporated
130 Rose Terrace
Wayville SA 5034

The principal place of business is:

Baptist Care (SA) Incorporated
130 Rose Terrace
Wayville SA 5034

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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAPTIST CARE (SA) INCORPORATED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Baptist Care (SA) Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Baptist Care (SA) Incorporated, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, 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 – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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 matter

The financial report of Baptist Care (SA) Incorporated, for the year ended 30 June 2019 was audited by another auditor who expressed an unmodified opinion on that report on 30 September 2019.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities 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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity'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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO

BDO Audit (SA) Pty Ltd

G K Edwards
Director

Adelaide, 1 October 2020