Southcare Inc

Financial Report for the year ended 30 June 2026

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Your Board submits the financial report of the Southcare Inc for the financial year ended 30 June 2026.

Board Members

The names of the Board Members during the year and at the date of this report are:

- Luke Mitchell - Chair (22/10/2025 - Current)
- Ben See - Treasurer (24/10/2023 - Current)
- Vidhatri Lakkimsetti - Independent Member (22/10/2025 - Current)
- Mario Gomes - Deputy Chair (22/10/2025 - Current)
- Aditi Dey - Secretary (22/10/2025 - Current)
- Valerie Hodgins - Independent Member (22/10/2025- current)
- Fiona Irwin - Independent Member (22/10/2025- current)
- Daniel Lee - Independent Member (22/10/2025- 23/04/2026)
- Michele Fletcher - Independent Member (22/10/2025- 25/06/2026)
- Veronica Lawrance - Chair – ceased 22/10/2025
- Miguel Gomez - Independent Member- (24/10/2024-22/10/2025)

Meetings of Board Members

The number of meetings held during the year ended 30 June 2026 and the number of meetings attended by each Board Member were:

	Eligible Meeting for Board Members	Meetings Attended
Number of meetings held	**7**	
Number of meetings attended by:		
Luke Mitchell (Chair)	7	6
Ben See (Treasurer)	7	7
Vidhatri Lakkim Setti (Independent Member)	7	3
Mario Gomes (Deputy Chair)	7	7
Aditi Dey (Secretary)	7	6
Valerie Hodgins (Independent Member)	5	4
Fiona Irwin (Independent Member)	5	4
Daniel Lee (Independent Member)	2	2
Michele Fletcher (Independent Member)	3	3

Principal Activities

The principal activities of the Southcare Inc during the financial year were the provision of personalised aged care, community, and social support services.

Significant Activities

During the year ended 30 June 2026, the Association's aged care services transitioned from the Home Care Packages program to the Support at Home program, from 1 November 2025 onward. Revenue previously reported under Home Care Packages Levels 1 to 4 is now reported as Support at Home direct services and indirect services (refer to Note 1).

Results

The surplus from ordinary activities of $587,046 (2025: surplus of 1,176,287) for the year. This, together with other comprehensive income of $450,000 (2025: 830,000), resulted in total comprehensive income of $1,037,046 (2025: 2,006,287) for the year ended 30 June 2026.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included on page 23 of this financial report.
Signed in accordance with a resolution of the Board.

Luke Mitchell
Chair

Ben See

Ben See
Treasurer

Date this 27th day of August 2026

SOUTHCARE INC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026	2025
		$	$
Revenue and other income	1	**16,147,313**	**15,589,688**
Employee Costs		8,851,076	8,203,228
Depreciation and amortisation expense		219,833	202,659
Service expenditure		4,464,503	4,383,169
Advertising and Marketing		421,536	310,962
Administrative expense		792,632	724,388
Other expenses		810,688	588,995
Total Expenditure		**15,560,267**	**14,413,401**
Surplus from operations		**587,046**	**1,176,287**
Other comprehensive income		450,000	830,000
Total Comprehensive Income		**1,037,046**	**2,006,287**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

SOUTHCARE INC
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Notes	2026	2025
		$	$
CURRENT ASSETS			
Cash and cash equivalents	2	614,509	3,348,421
Inventory		2,953	-
Trade and other receivables	3	991,166	1,016,064
Prepayments		268,080	232,153
Total Current Assets		**1,876,708**	**4,596,638**
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	5,224,983	4,870,795
Intangible Assets		104,594	124,622
Investment properties	7	5,880,000	4,460,000
Financial assets	4	4,532,948	2,966,363
Total Non-Current Assets		**15,742,525**	**12,421,780**
TOTAL ASSETS		**17,619,233**	**17,018,418**
CURRENT LIABILITIES			
Trade and Other Payables	8	461,402	790,332
Employee Provisions	9	865,333	796,413
Unearned Revenue	10	-	59,469
Funding received in advance		28,125	96,603
HCP – Unspent Fund	11	380,840	495,319
Refund liability		117,382	73,476
Total Current Liabilities		**1,853,082**	**2,311,612**
NON-CURRENT LIABILITIES			
Employee provisions	9	106,222	83,923
Total Non-Current Liabilities		**106,222**	**83,923**
TOTAL LIABILITIES		**1,959,304**	**2,395,535**
NET ASSETS		**15,659,929**	**14,622,883**
ACCUMULATED FUNDS			
Retained Surplus		12,993,963	12,406,917
Asset Revaluation Reserves		2,665,966	2,215,966
TOTAL ACCUMULATED FUNDS		**15,659,929**	**14,622,883**

The above statement of financial position should be read in conjunction with the accompanying notes.

SOUTHCARE INC
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2026

	Retained Surplus	Asset Revaluation Reserves	Total Accumulated Funds
2025			
Balance as at 1 July 2024	**11,230,630**	**1,385,966**	**12,616,596**
Net surplus for the year	1,176,287	-	1,176,287
Other comprehensive income	-	830,000	830,000
Balance as at 30 June 2025	**12,406,917**	**2,215,966**	**14,622,883**
2026			
Balance as at 1 July 2025	**12,406,917**	**2,215,966**	**14,622,883**
Net surplus for the year	587,046	-	587,046
Other comprehensive income	-	450,000	450,000
Balance as at 30 June 2026	**12,993,963**	**2,665,966**	**15,659,929**

The above statement of changes in accumulated funds should be read in conjunction with the accompanying notes.

SOUTHCARE INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		14,300,159	13,717,119
Interest Income		46,391	152,926
Dividend Income		194,711	30,436
Payment of Salaries and Wages		(8,759,857)	(8,098,142)
Payments to Suppliers		(6,857,168)	(5,736,735)
Net cash (outflows)/inflow from operating activities	13	**(1,075,763)**	**65,604**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(97,920)	(57,430)
Payments for Intangible Assets		(6,073)	(126,980)
Proceeds from disposal of Property, Plant and Equipment		22,727	-
Receipts from (Payments for) Term Deposits/Investments		(1,556,883)	(2,895,512)
Net cash (outflows) from investing activities		**(1,638,149)**	**(3,079,922)**
Net (decrease)/increase in cash and cash equivalents		(2,733,912)	(3,014,318)
Cash and cash equivalents at the beginning of the financial year	2	3,348,421	6,362,739
Cash and cash equivalents at the end of the financial year	2	**614,509**	**3,348,421**

The above statement of cashflows should be read in conjunction with the accompanying notes.

Overview

This financial report covers Southcare Inc as an individual entity. Southcare Inc is an association incorporated in Western Australia under the Associations Incorporation Act 2015.

The financial report was authorised for issue by the Board on 27 August 2026.

Basis of Preparation of the Financial Statements

In the Board Members' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements. The financial report is a special purpose financial report that has been prepared for the purposes of complying with the Associations Incorporation Act 2015, the Australian Charities and Not-for-profit Commission Act 2012 and the Charitable Collections Act 1946. The Board Members have determined that the accounting policies adopted are appropriate to meet the needs of the Association.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit entities.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets. It is presented in Australian Dollars which is the Association's functional and presentation currency.

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.

Taxation

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the Australian Taxation Office is included in other receivables or other payables in the statement of financial position.

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

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.

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 or 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 or liabilities within the next financial year are included in the respective note disclosure.

NOTE 1: Revenue and Other Income

	2026 $	2025 $
Revenue from contracts with customers		
Home Care Packages Level 1	10,914	53,160
Home Care Packages Level 2	612,907	1,713,147
Home Care Packages Level 3	1,124,544	3,066,248
Home Care Packages Level 4	1,746,942	4,793,448
Support at Home Direct Services	3,543,941	-
Support at Home Indirect Services	2,662,726	-
Community Home Support Grant	3,352,609	3,254,187
Financial Counselling Grant	231,696	158,630
Women Leadership and Development Grant	-	-
Lotterywest Emergency Relief Grant	91,880	78,760
City of South Perth Grant	99,996	114,996
Aboriginal Family Support Grant	159,515	101,692
HESS Grant	97,068	89,954
Engaging Young Leaders on Aged Care and Community Boards	165,025	129,559
CHSP Client Fees and Other Revenue	416,178	453,847
Other Revenue (including Op Shop)	152,632	169,664
	14,468,573	**14,177,292**
Other Income		
Interest Income	46,397	152,926
Fair Value Gains on Investment Properties	1,420,000	1,140,000
Room Hire	7,930	18,465
Dividend Income	194,711	30,436
Fair Value Gains on Investments	9,702	70,569
	1,678,740	**1,412,396**
Revenue and Other Income	**16,147,313**	**15,589,688**

Accounting Policy

Revenue from the provision of services is recognised when there is an ‘enforceable’ contract with a client with ‘sufficiently specific’ performance obligations. The transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

Where performance obligations are satisfied over time, revenue is recognised as the services are rendered based on either a fixed price or an hourly rate. For services based on the stage of completion of the contracts (i.e., the time period for which the services are delivered), the Association has assessed that the stage of completion determined

as the proportion of the total period services are expected to be delivered over that which has elapsed at the end of the reporting period to be an appropriate measure.

NOTE 1: Revenue and Other Income (continued)

When the Association receives government grants and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Association to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. In cases where there is an 'enforceable' contract with a client with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058.

Interest income is recognised on an accruals basis using the effective interest method.

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

Significant accounting judgements and estimates
To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Association determines if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Association has applied significant judgement in this regard by performing an analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties. Income recognition from grants received by the Association is accounted for under AASB 1058 or AASB 15 based on the assessment performed.

NOTE 2: Cash and Cash Equivalents

	$	$
Cash and Cash equivalents		
Cash on Hand	1,450	1,450
Cash at Bank	317,720	1,201,708
Term Deposits	-	500,000
Cash Settlements - Ord Minnett	295,339	1,645,263
Total Cash at Bank and In Hand	**614,509**	**3,348,421**

Accounting Policy

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

Term deposits with original maturity of over three months, are classified as other financial assets.
All cash on hand, cash at bank and term deposits are unrestricted.

NOTE 3: Trade & Other Receivables

	2026 $	2025 $
HCP – Medicare Receipts Clearing	797,389	815,366
CHSP – Receivables	18,785	9,445
Other Receivables	15,085	-
Work Compensation Receivables	62,228	114,518
Trade Receivables	107,729	81,475
Less: Allowance for Expected Credit Losses	(10,050)	(4,740)
	991,166	**1,016,064**

Accounting Policy

Trade and other receivables are recorded at amortised cost less any allowance for expected credit losses. Trade and other receivables are recognised when the Association becomes party to a contract and has a legal right to receive cash.

NOTE 4: Financial Assets

	2026 $	2025 $
Investment Portfolio	**4,532,948**	**2,966,363**

The Association holds a portfolio of equities and trust securities at fair value. The investments are held through the Ord Minnett Limited.

Accounting Policy

Investments are recognised when the Association commits itself to purchase the investment and are initially and subsequently measured at fair value.

Investments are derecognised when the Association transfers the investment to another party and as such no longer has any significant involvement in the risk and benefits associated with the investment.

Fair value is determined based on the ‘market price’ of the underlying investment. Market price for listed investments reflects the last price traded from any applicable exchange during market hours.

NOTE 5: Property, Plant and Equipment

Reconciliation of the Opening and Closing Balances of the respective categories of property, plant and equipment is as follows:

	Plant and Equipment	Motor Vehicles	Freehold Land and Buildings	Capitalised costs	Total
	$	$	$	$	$
30 June 2025					
Balance at beginning of the year	**370,382**	**104,338**	**791,304**	**-**	**1,266,024**
Additions	53,006	-	2,259	-	55,265
Depreciation Expense	(92,858)	(23,769)	(45,914)	-	(162,541)
Disposals/Write Offs/Transfers	(37,952)	-	-	-	(37,953)
Carrying amount at end of the year	**292,578**	**80,569**	**747,649**	**-**	**1,120,795**
30 June 2026					
Balance at beginning of the year	**292,578**	**80,569**	**747,649**	**-**	**1,120,796**
Additions	61,400	29,868	6,652	-	97,920
Depreciation Expense	(119,665)	(7,470)	(46,598)	-	(173,733)
Disposals/Write Offs/Transfers	-	(20,000)	-	-	(20,000)
Carrying amount at end of the year	**234,312**	**82,967**	**707,703**	**-**	**1,024,983**

Land and buildings at fair value

	2026	2025
	$	$
Carrying amount at 1 July	**3,750,000**	**2,920,000**
Net Fair Value Increments	450,000	830,000
Carrying amount at 30 June	**4,200,000**	**3,750,000**
Total Property, Plant and Equipment	**5,224,983**	**4,870,795**

NOTE 5: Property, Plant and Equipment (Continued)

Accounting Policy

Asset Recognition

Plant and equipment and motor vehicles costing greater than $5,000 are capitalised and measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings are measured at either historical cost or fair value. Land and buildings shown at fair value are based on periodic, at least every 3 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.

Depreciation

Land is not depreciated. Depreciable property, plant and equipment and motor vehicles are written-off to their estimated residual values over their estimated useful life using the straight-line method of depreciation. Depreciation rates (useful lives) and residual values are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

	2026	2025
Buildings	4% to 15%	4% to 15%
Plant and Equipment	15% to 25%	15% to 25%
Motor Vehicles	20%	20%

Derecognition

An item of property, plant and equipment and motor vehicle is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

All non-financial assets are reviewed for indicators of impairment on an annual basis. Where indicators of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Significant accounting judgements and estimates

Estimation of useful lives of assets

In the process of applying the accounting policies listed in this note, the Association determines the estimated useful lives and related depreciation charges for its assets.

NOTE 5: Property, Plant and Equipment (Continued)

Fair value measurement

When a non-financial asset is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTE 6: Leases

Accounting Policy

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTE 7: Investment properties

Reconciliation of the Opening and Closing Balances of Investment Properties.

	$
30 June 2025	
Balance at beginning of the year	3,320,000
Depreciation Expense	-
Net Fair Value Increments	1,140,000
Carrying amount at end of the year	**4,460,000**
30 June 2026	
Balance at beginning of the year	4,460,000
Depreciation Expense	-
Net Fair Value Increments	1,420,000
Carrying amount at end of the year	**5,880,000**

Accounting Policy

The Association owns four residential properties which are held to earn rentals. Investment properties principally comprise of freehold land and buildings held for long-term rental by the Association. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value. Movements in fair value are recognised directly in profit or loss.

NOTE 8: Trade and Other Payables

	2026 $	2025 $
Trade Payables and Accruals	323,575	550,221
GST/FBT/PAYG Payable	78,487	210,431
Employee Entitlements - Wages	59,340	29,680
	461,402	790,332

Accounting Policy

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.

NOTE 9: Employee Provisions

	2026	2025
	$	$
Current Liabilities:		
Employee Entitlements - Annual Leave	440,384	400,273
Employee Entitlements - Long Service Leave	424,949	396,140
Total Current Liabilities	**865,333**	**796,413**
Non-Current Liabilities:		
Employee Entitlements - Long Service Leave	**106,222**	**83,923**
Total Employee Provisions	**971,555**	**880,336**

An amount of $263,031 of long service leave provisions that was presented as non-current at 30 June 2025 should have been classified as current based on the expected timing of settlement. Therefore, the comparative figures of 30 June 2025 adjusted accordingly. The correction has no impact on total employee provisions, total liabilities, profit or loss or equity, as it relates solely to the classification between current and non-current liabilities.

Accounting Policy

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Annual Leave and Long Service Leave

The liability for employee benefits includes a provision for annual leave and long service leave. The leave liabilities are calculated on the basis of the employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and inflation.

Significant accounting judgements and estimates

Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates.

NOTE 10: Unearned Revenue

	2026	2025
	$	$
Unearned Revenue	**-**	**59,469**

Accounting Policy

Unearned revenue is a liability account that reports amounts received in advance of providing goods or services. When the goods or services are provided, this account balance is reduced and the associated revenue is recognised in the income statement.

NOTE 11: HCP Unspent Funds

	2026 $	2025 $
HCP – Unspent Fund	**380,840**	**495,319**

Accounting Policy

Unspent funds represent the Association's obligation to transfer goods or services to a customer and are recognised when consideration is received before the Association has transferred the goods or services to the customer. When the goods or services are provided, this account balance is reduced and the associated revenue is recognised in the income statement.

NOTE 12: Remuneration of Auditors

	2026 $	2025 $
Audit of the Financial Statements	29,350	28,960
Non Assurance Services	5,200	4,970
	34,550	**33,930**

NOTE 13: Cash Flow Information

Reconciliation of Net Cash from Operating Activities	2026 $	2025 $
Surplus for the Year	587,046	1,176,287
Adjustments for:		
Depreciation	219,833	202,659
Fair Value (Gain)/Loss on Investment Properties	(1,420,000)	(1,140,000)
Fair Value (Gain)/Loss on Financial Assets	(9,702)	(70,569)
Gain on Disposal of Assets	(2,727)	-
Changes in Assets and Liabilities:		
Decrease in Trade Receivables	24,898	90,118
Increase in Other Assets	(38,880)	(39,828)

Decrease in Income in Advance	(198,520)	(570,832)
(Decrease)/increase in Creditors and Accruals	(328,930)	312,683
Increase in Employee Provisions	91,219	105,086
Net Cash (Outflow)/ Inflows from Operating Activities	**(1,075,763)**	**65,604**

NOTE 14: Commitments

The Association does not have any commitments as at 30 June 2026 and 30 June 2025.

NOTE 15: Related Parties and Key Management Personnel disclosures

Related parties of the Association comprise the members of the Board, the key management personnel of the Association, and parties related to the Association's key management personnel (including close family members and entities controlled by themselves, their close family members or jointly with close family members).

Transactions with related parties / Balances owing to or from related parties

There were no transactions with related parties during the current or previous financial year.
There were no balances due from or owing to related parties at the end of the current or previous financial year.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Association. The Association has determined the key management personnel to be the Board, the Chief Executive Officer, Executive Manager – Finance, Quality and ICT and Executive Manager Integrated Care Services.

The aggregate compensation made to members of key management personnel of the Association are set out below.

	2026	**2025**
	$	**$**
Aggregate compensation	**686,128**	**432,112**

The increase in total key management personnel compensation compared with the prior year is primarily attributable to the inclusion of the Executive Manager Integrated Care Services as a member of key management personnel during the current year.

NOTE 16: Economic Dependence

The Association is dependent on the Australian Government (Commonwealth) Department of Health and Aged Care for the majority of its revenue. At the date of this report the members of the Board have no reason to believe that these parties will not continue to support the Association.

NOTE 17: Contingent Liabilities

The Association is required under various programs and funded projects to carry out various activities and report to the funding bodies on the achievement of stated KPIs. In some instances, not all of the contractually agreed activities have been achieved and or surpluses have been achieved hence there exists the possibility that future funding may be reduced. Not all such determinations and resolutions by funding bodies are expected to be fully confirmed and or advised until after the completion of the 2026 financial report. If such events do occur the financial impact will be recognised in the next year's financial report.

NOTE 18: Events After the Reporting Date

No matter or circumstance has arisen since 30 June 2026 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.

Southcare

53 Bickley Crescent,
Manning WA 6152

(08) 9450 6233
enquiries@southcare.org.au

STATEMENT BY MEMBERS OF THE BOARD

In the opinion of the Board of Southcare Inc (the Association):

1 The financial statements and notes that are set out on pages 5 to 21 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015; including

   i. Presenting fairly the Association's financial position as at 30th June 2026 and its performance for the financial year ended on that date; and

   ii. Complying with Australian Accounting Standards, to the extent described in Note 1 and the Australian Charities and Not-for-profits Commission Regulation 2013

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

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

Luke Mitchell
Chair

Ben See
Treasurer

Dated at Perth this 27th day of August 2026

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Southcare (Inc.) for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Audit Australia

Richard Gregson
Partner

Signed at Perth, 27 August 2026

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF SOUTHCARE INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Southcare Inc (the Association), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in accumulated funds 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 Board.

In our opinion the accompanying financial report is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act (WA) 2015 including:

a) presenting fairly, in all material respects, the financial position of the Association as at 30 June 2026, and of its financial performance and its cash flows for the year then ended; and
b) complying with Australian Accounting Standards, to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the Associations Incorporation Act (WA) 2015 and the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Board for the Financial Report

The Board of the Association are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation, including the requirements of Section 15(1) and 15(2) of the Charitable Collections Act (WA) 1946 and the Charitable Collections Regulations (WA) 1947 and for such internal control as the Board determine is

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necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, the Association has complied, in all material respects, with the requirements of the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947 for the year ended 30 June 2026.

Crowe Audit Australia

Richard Gregson
Partner

Signed at Perth, 27th August 2026