



CENTRAL COAST LIVING OPTIONS LTD T/A

CCLo

Living

25th Annual Report

2020

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**CENTRAL COAST LIVING OPTIONS LTD T/A
CCLO LIVING
Unit 10C, 1 Bounty Close
Tuggerah Business Park 2259**

**25th ANNUAL GENERAL MEETING
Wednesday 11th November 2020
At 6.00pm
To be held at Zenith Business Centre
6 Reliance Drive, Tuggerah**

AGENDA

- Welcome
- Apologies –
- Confirm the Minutes of the 24th Annual General Meeting of Central Coast Living Options Inc. held on 28th November 2019.
- To receive and consider the Chairperson's Report for period 1st July 2019 to 30th June 2020.
- To receive and consider the Chief Executive Officer's Report for the same period.
- To receive and consider the Treasurer's Report for the same period.
- To receive and consider the Financial Statements for period 1st July 2019 to 30th June 2020 and the reports of the Auditors.
- Accept proxy voting forms.
- To elect the Board and/or declare the result of the election of the Board for the coming year being 11th November 2020 to 10th November 2021.
- Resolution to appoint a Public Officer for the above same period.
- Resolution to appoint the Auditor for 2020 – 2021 financial year.
- Resolution to accept or otherwise the Special Resolution circulated previously. (Copy Attached)
- Nomination of persons (Directors, CEO) to be authorized to sign under the Common Seal of Central Coast Living Options Ltd. from 11 November 2020 to 10th November 2021.
- To deal with any other Business of which due notice has been given.

The Annual Report 30 June 2020 will be published and available on the CCLO website from 12th November 2020.

MISSION

To provide the highest quality care
and support responding
to the changing needs of
people with a disability.

CENTRAL COAST LIVING OPTIONS INC
24th ANNUAL GENERAL MEETING
HELD ON 28th NOVEMBER 2019
ZENITH BUILDING, RELIANCE DVE, TUGGERAH

Meeting opened at 6.07pm.

PRESENT: Judith Andrews, Catherine La Delle, Ian Radford, Jenny Walmsley, Geoff Brazel, Rod Shellshear, Kieran Turner, Kevin Johnston, Lee-Anne Hollis, Troy Hollis, Sue Wrigley, James Gould, Shay-Lee Williams, Mark Williams, Kelly Holmes, Jade Dyer, Julieanne Matwijow, Michael Shellshear.

IN ATTENDANCE: Tim Davidson – Auditor – Fortunity.

APOLOGIES: Dorothy Rosewell, Karen Lee, Robynne Douglass, Marika Williams.

The Chairperson opened the meeting and welcomed everyone to the 24th Annual General Meeting.

Judith Andrews made a special welcome to Tim Davidson from Fortunity (our auditor) as well as Michael Shellshear and commented on how fantastic it was to see so many staff and Board Members attend the meeting.

Judith spoke on how CCLO continues to move forward in the disability sector becoming a service provider of choice and how the Board's strategic plan focusing on providing quality accommodation for disability clients is continuing. She further commented that the proven concept of constructing platinum standard group home accommodation is working well for CCLO and that it will always be our goal.

She then commented on our total revenue of 8 million dollars this past year compared to 5.3 million dollars the previous year demonstrated our success in the disability accommodation space. She then went on to say that expansion within this space has been rapid as we now have Scenic Road, Budgewoi and Wall Road, Gorokan occupied and fully functional with stage 2 of Minnamurra Road well on its way to completion. A Further exciting development has been the head lease by us of a gated estate of 6 four bedroom homes at Boyce Ave, Wyong which is an amazing concept and we should all be very proud of it. On the staffing scene we have seen the development of our own training facility and opportunities for promotion within CCLO, Judith commented she is a firm believer of promoting within and it is very pleasing to see.

Judith then stated the biggest thing for Board focus in the near future will be the transition of CCLO from an Incorporated Association to a Company limited by guarantee. Not very much will change in the practical application of that but a new name and constitution will be required. The new name will be Central Coast Living Options Limited and we will trade as CCLO Living. The name change will gradually be reflected on all of our marketing material.

Judith stated the basic reason for the change to a company limited by guarantee is that we have moved into a higher level of revenue and can no longer operate as an Incorporated Association.

Judith discussed CCLO's changes within the Board of Management this year, Central Coast Solicitor Geoff Brazel and Lynne Webster joined the board through the year and Lynne Webster will not be standing for the Board again this year. Kieran Turner also joined the Board this year and we are very pleased to have him join.

MINUTES OF PREVIOUS AGM

No business arising.

The minutes of the previous Annual General Meeting held on 14th November 2018 were received.

Moved by J. Walmsley

Seconded by C. La Delle

A motion was put forward that the minutes of the 23rd Annual General Meeting be accepted as a true and accurate record of the meeting.

Moved by R. Shellshear

Seconded by K. Johnston

CHAIRPERSON'S REPORT

The Chairperson's report was tabled. A motion was put forward that the Chairperson's report be accepted as printed in the Annual Report.

Moved by J. Andrews

Seconded by G. Brazel

CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer's report was tabled. A motion was put forward that the Chief Executive Officer's report be accepted as printed in the Annual Report.

Moved by K. Johnston

Seconded by J. Walmsley

TREASURER'S REPORT

The Treasurer's report was tabled. A motion was put forward that the Treasurer's report be accepted as printed in the Annual Report.

Moved by I. Radford

Seconded by K. Johnston.

FINANCIAL STATEMENTS

No business arising from the Financial Statements.

Our Treasurer Ian Radford commented on the remarkable achievements of the previous year and it's been extremely well managed to bring about the financial outcomes we have made.

Ian gave a credit to the management team for the work they have done and coping with the growth.

Our Auditor Tim Davidson spoke on Fortunity's perspective of the audit following on from Ian, stating that the end result of the year was a satisfactory one and the organisation is in a very strong financial position. Overall the audit report was an unqualified audit report which meant that an opinion was formed on the accounts and Fortunity believes they do represent a true and fair view about the state of affairs of the organisation and that Fortunity received all the information that was required to form such an opinion.

The Financial Statements for period 1st July 2018 to 30th June 2019 were tabled and received along with the report from the auditors. A motion was put forward that the financial statements be accepted as printed in the Annual Report.

Moved by K. Johnston

Seconded by K. Turner

BOARD ELECTION

Written nominations were received for the positions on the 2019-2020 Board of Management and the following people were appointed unopposed.

Chairperson	Judith Andrews
Vice Chairperson	Cathie La Delle
Secretary	Jenny Walmsley
Treasurer	Ian Radford
Public Officer	Cathie La Delle
Ordinary Members	Rod Shellshear, Geoff Brazel and Kieran Turner

Judith Andrews then resumed the chair and introduced the elected Board of Management to the members.

ELECTED PUBLIC OFFICER

The Public Officer elected for the 2019 – 2020 Board of Management is Cathie La Delle.

Moved by R. Shellshear

Seconded by K. Johnston

APPOINTMENT OF AN AUDITOR

A motion was put forward for the appointment of Fortunity Group as Auditor for the 2019/2020 year for Central Coast Living Options Inc. Tim Davidson accepted the appointment on behalf of Fortunity.

Moved by J. Andrews

Seconded by I. Radford

AUTHORISED COMMON SEAL SIGNATORIES

A motion was put forward that the nominated persons listed below be authorized to sign under the Common Seal of Central Coast Living Options Inc. from 28th November 2019 to 27th November 2020.

Judith Andrews
Cathie La Delle
Ian Radford
Kevin Johnston
Jane Walmsley

Moved by J. Andrews

Seconded by K. Johnston

Other Business

No other business.

Meeting closed at 6:20pm.

ANNUAL REPORT 2019-2020 CENTRAL COAST LIVING OPTIONS

Report from the Chair

This year marks the 25th anniversary of CCLO. Established in 1996 as a community based NFP organization providing accommodation and services for people with a disability. During those 25 years significant changes have taken place. Originally funded by Ageing, Disability and Home Care NSW, recent years have seen the transition to person-centred funding by the National Disability Insurance Scheme. In 1996, CCLO had one rental home which provided accommodation, whilst today we have fourteen homes, providing accommodation for 43 clients, with more coming on stream this year. We now have a workforce of over 200 people.

CCLO has continued its phenomenal growth trajectory and this is due to the amazing efforts of our Management Team led by CEO Kevin Johnston, and to our many efficient and dedicated front line staff. This past year has presented incredible challenges due to the pandemic, with lockdowns, restrictions on access and movement, and the ever-present fear of contracting COVID-19. The staff at CCLO have provided continuity of support and vigilant care for all our disability clients, none of whom have succumbed to the disease. The world of work has changed – more people are now working from home, either on some days or full time. This poses particular challenges in regard to productivity, WHS and mental health issues relating to a lack of contact with fellow workers. Changes to NDIS funding and delays in plan approvals continue to make more work for our Management Team as has the recent NDIS Certification Audit. As a result more staff have to be allocated to these things, but we are confident that CCLO meets all of these ongoing requirements for registration.

The past year has also presented challenges to our Board of Management. Risk management has become critical, virtual meetings are now part of the landscape, agile decision making is necessary, and the need for contingency planning has been highlighted. Who could have predicted this pandemic and the catastrophic changes to our Australian way of living and doing business CCLO has weathered the pandemic storm so far, and I believe, will continue to do so, but changes to the way we operate our business are ongoing.

In this my 7th Annual Report, I am pleased to say that we have continued on a very successful path. Total revenue this year was \$11.6m compared to \$8m last year, and a surplus this year of \$821,000 compared to last year of \$440,944. It could be said that CCLO has a high quality problem with substantial liquid assets. To overcome this “problem” our strategic plan is to invest in more accommodation places. Whilst head lease arrangements have proven to be a good business model for CCLO and will continue, it is now time to purchase more property in our own right to ensure sustainability and diversity. The Canton Beach Road Toukley property is still a development option, although decisions are yet to be made on the final plans for this project. We continue to explore other accommodation options with negotiations underway to purchase a 13 room hostel at The Entrance. Upon completion of this purchase CCLO will be able to offer a range of different types of accommodation to suit the emerging needs of our clients.

As I mention every year, the surplus generated is necessary for growth in what we can offer in the way of accommodation and services.

As forecast last year, we have now moved from an Incorporated Association to a Company limited by guarantee with the company name now Central Coast Living Options Limited, trading as CCLO Living. All requirements have now been completed for registration by the Australian Securities and Investment Commission. A Special Resolution will be put to this meeting to make minor amendments to the new Constitution regarding distribution of surplus assets in the unlikely event of windup. These amendments are required to preserve the Deductible Gift Recipient status of the Company with the Australian Taxation Office.

I am very confident that CCLO will continue to deliver on our strategic goals of providing accommodation and services for people with a disability living on the Central Coast, ensuring our position as preferred service provider in this area.

I congratulate my fellow Board members for their untiring efforts throughout the year and I look forward to another successful year. My position of Chair of this Board is very gratifying and it is the professionalism of our Board that makes it that way.

Judy Andrews
Chair
Board of Management

CHAIRPERSON – Judith Andrews

Since retiring from the corporate world, Judith has conducted her own business management consulting practice, specializing in the areas of strategic planning, business and financial strategies and human resources including recruitment. Judith holds numerous management and leadership certifications through the Australian Institute of Management and the Club Directors Institute NSW. She is also a Member of the Australian Institute of Company Directors

She has more than 15 years board experience, having held positions of Chairman/President, Senior Vice President and Director with NFP organisations and in addition to CCLO, is President, Womens' Golf, Everglades Country Club.

Her expertise specific to the CCLO Board of Management includes corporate and board governance, strategic planning and organisational, leadership, financial management and public relations skills.

She was appointed CCLO Treasurer in December 2012 and held that position until the AGM in November 2013.

In June 2014, Judith was elected Chairperson following a CCLO General Meeting which voted to remove the Directors on the Board at that time. She remains in that position currently.

Judith has attended 10 Board Meetings this year.

VICE CHAIRPERSON/SECRETARY – Catherine La Delle

Currently self employed as a Luxaflex franchisee at Belmont and Greenhills. Previously involved with Yeramba Estates, Terrace Tower Group developing Woodbury Park in Mardi and other residential holdings.

Member of Urban Development Institute of Australia, and Wyong Shire Council's Affordable Housing Forum. Holds A Master of Business Administration, and licensed Real Estate Professional. Holds Project Management qualifications, was a finalist in Master Builder's Association "Women in Building" award in 2011, and management, important contacts in Wyong Shire Council, and a desire to deliver better opportunities to the broader community, and ready to make a difference in helping CCLO expand their disabilities services to a wider market.

Director on CCLO Board of Management from September 2011 to Present.

Catherine has attended 9 Board Meetings this year.

TREASURER – Ian Radford

Ian Graduated as Bachelor of Pharmacy from Sydney University in 1973. Over the years he has owned Pharmacies at Ettalong Beach and Umina Beach where customer interaction and assistance was seen as being paramount. He has undertaken continuing Professional and Business Development courses, which include workshops at Financial Management Research Centre, Armidale.

He sold his pharmacy in 2005 and since then from 2005 – 2008 he has undertaken numerous locum positions at remote pharmacies in Lightning Ridge and Dareton, NSW.

His voluntary positions over the years include from 1976 – 2005: Past Director

- Central Coast Pharmacists Association
- Umina Beach Cricket Club
- Rotary Club of Umina Beach (Several terms including President)
- Peninsular Village Umina Beach (including Vice Chairperson)
- Peninsular Chamber of Commerce
- Umina Beach Action Committee (Chairman)

In 2012 Ian joined Central Coast Unit of Marine Rescue, NSW where he held Leading Crew ranking and position of Mid-Week Watch Leader.

Ian continues to see voluntary service in community organisations as an avenue of contributing back to the local community.

He was first appointed to the Board of Management of CCLO at the AGM on 21st October 2015 to present.

Ian has attended 10 Board Meetings this year.

ORDINARY MEMBER – Jane (Jenny) Walmsley

Jane has a science background, with a PHD in Plant Physiology plus a Graduate Diploma of Education and experience in teaching high school science. Vast experience at Macquarie University in operation of committees. Currently volunteering with crèche/child care at St James Anglican Church in Wyong, and with the emergency relief centre at Wyong setup by St James Anglican church.

Expertise specific to the CCLO Committee of Management includes experience gained on Macquarie University committees for the development of EEO policies and their implementation, workplace OH&S, and finance.

Jane has attended 7 Board Meetings this year.

ORDINARY MEMBER – Geoff Brazel

Geoff was admitted as a Solicitor of the Supreme Court of New South Wales in 1979. He later commenced his own legal firm with Peter Moore at Gosford in 1981. Brazel Moore Lawyers has grown from humble beginnings as a two man legal practice with no support staff to now being a leading Central Coast legal firm with 26 members of staff.

Geoff and his wife have 3 adult children, the eldest of whom was born with cerebral palsy, which has given Geoff an interest in the disability services sector over the last 25 years, including:

- President of the Parents & Citizens Association of Arranounbai Public School (formly Allambie Special School)
- A Director of Recreation Rendezvous
- A Director of Lane Cove & Northside Community Services
- An observer to the Board of North West Disability Services

Geoff is also currently a Director on the Board of Coastwide Child & Family Services. When not involved with family, work and not for profit organisations, Geoff's hobby is Brass Bands with which he has had an involvement for over 50 years.

Geoff has attended 10 Board Meetings this year.

ORDINARY MEMBER – Kieran Turner

Currently working for Suncorp in charge of its NSW Commercial Banking team, Kieran is an experienced State Manager with a demonstrated history of managing successful teams in the banking industry. Before joining Suncorp he ran the NSW/ACT team responsible for managing Bendigo & Adelaide Bank's Not-For-Profit clients. In this role he learnt about the challenges faced by the social sector and working on delivering specialised finance solutions for the disability and community housing sectors.

He also worked on several new initiatives such as social housing bonds and Public Private Partnership transaction involving the NSW Government. Kieran is skilled in Equity Research, Portfolio Management, Financial Risk, Risk Management, and Credit Analysis. He is a strong sales professional completing an MBA and Master of Applied Finance focused in Banking, Corporate Finance, and Securities Law from the University of Newcastle.

Kieran has attended 5 Board Meetings this year.

Chief Executive Officer Report 2020

It seems that the more the “NDIS World” changes, the more it stays the same.

In my report for the last years AGM, I lamented the fact of the “years of unrelenting changes at all levels” emanating from the NDIS, hopefully with the expectation that the number, frequency and scope of the changes would dissipate.

Unfortunately, this has not been the case and over the last 12 months the number of changes announced, then at times retracted, has been at increased levels from the previous 12 months. This, on top of the incredible operational difficulties that the COVID-19 pandemic has exerted upon us, and the Disability Support Sector, generally.

We still encounter many NDIS participants having their funding cut on their plan roll-over dates, along with funding for particular activities not being included in their new plans, despite the fact they have been receiving funding for it for 4 years or more.

At an organisational operational level, to cope with instituting new arrangements, plus increased oversight, monitoring of them, new regulations plus correspondence with the NDIS, we had to employ 4 fulltime staff just for this purpose.

It is difficult to arrive at any other conclusion other than many of the instituted changes are predicated on NDIS funding budget constraints.

Following our Strategic Planning Meeting held in July 2020 the Board of CCLO reaffirmed the organisations long standing commitment of providing accommodation and attendant care services for people with a disability, resident on the Central Coast. This of course being the backbone of our positive financial results for the previous 12 months under review.

As noted in our Treasurers report our revenue for the 2019-2020 year was \$11, 671, 399 and of this \$7, 901, 107 was from NDIS & Health Dept. accommodation support, this being 68% of the total.

Our two other attendant care lines were Co-Ordination of Support and Community Access. These two activities contributed \$369, 704 (3%) and \$2, 624, 653 (22%) respectively, from the NDIS and Health Dept.

These 3 major support lines total 93% of our total income for the year, justifying our continuing support of them, whilst at the same time necessitating our continuing development of other income streams to further spread our income reliance. There are a number of new initiatives we are evaluating.

Along with our yearly financial increase there has been, by necessity, a large increase in our staff numbers. As at 30th June 2020 we had 153 full time and casual staff and by the time this AGM is held we will have over 200 staff.

These numbers make us a very significant Central Coast Employer, something under appreciated by local Council. In order to upskill our workforce we have initiated an "In-house" accredited course being Cert III Disability. It is our intention to have every one of our employees possess this qualification as a minimum standard within 12 months.

To conclude, this year under review, has been one of great success but tempered with corresponding great challenge.

It is to the credit of all CCLO staff, management, clients and Board that the unexpected challenges, in particular, those brought about by COVID-19, have been met "head on" and overcome.

Once again I extend my sincere thanks to our incredibly resilient and dedicated staff who contribute so much, to not only CCLO, but the lives of the people we care for. They truly exhibit and deliver the quality service that is our pre-eminent core value.

Additionally I extend my thanks and appreciation to the supportive CCLO Board, our exceptional Management Team and our wonderful clients, families and supporters.

Christmas will be upon us very soon, it seems to come around more quickly each year that passes. I wish everyone a very Merry Christmas and a Happy New Year.

Kevin Johnston,

Chief Executive Officer.

Treasurer's Report 2020

Covid-19 has impacted all areas of CCLO in ways that we could not have imagined at the end of 2019.

Strong Governance, an excellent Management Team and dedicated Staff have ensured that the challenges have been met head on with excellent outcomes for CCLO and our clients.

Continued changes to NDIS funding added to these challenges.

In last years report I stated that 2020 *'should see growth continue at a slower pace'*. My estimate was way too conservative as CCLO has shown remarkable growth with **'Total Revenue'** increasing to \$11,671,399 - up 45.89% on the previous year.

The **'Surplus'** of \$822,108 showed an increase of \$381,164.

'Members Funds' of \$4,011,222 were up 25.77% on the previous year.

Fortunity Assurance once again signed an unqualified audit, after giving a positive presentation to the Board.

Next financial year should see further growth, as the Management Team working within our Strategic Plan look at extending our housing options.

I am pleased with the growth and financial position of Central Coast Living Options Ltd and look forward to working with the Management Team during the next financial year.

Ian Radford

Treasurer



CONNECTING ABILITIES
WITH LIFE'S OPPORTUNITIES

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Central Coast Living Options Inc.
ABN 37 089 411 280

Financial Report
For The Year Ended 30 June 2020

Central Coast Living Options Inc.
ABN 37 089 411 280

Financial Report
For The Year Ended 30 June 2020

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Central Coast Living Options Inc.
ABN 37 089 411 280

Management Committee Report

Your Management Committee members submit the financial report of the association for the financial year ended 30 June 2020.

Management Committee members

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

Judith Andrews
Catherine La Delle
Jane Walmsley
Rod Shellshear (resigned 26/02/2020)
Ian Radford
Geoff Brazel
Lynne Webster (appointed 31/07/2019, resigned 28/11/2019)
Kieran Turner (appointed 28/11/2019)
Hazel Grosman (appointed 16/04/2020, resigned 05/07/2020)

Principal activities

The principal activities of the incorporated association during the financial year was providing the highest quality service that responds to the ever changing needs of individuals with a disability.

Significant changes

No significant change in the nature of these activities occurred during the financial year, other than the mandated changes related to the COVID-19 Health Crisis. The Covid-19 health crisis had an effect on the business with increased costs due to health and safety compliance and some additional funding received from various funding bodies.

Operating result

The profit from ordinary activities of the incorporated association for the financial year after providing for income tax amounted to \$ 822,108 (2019: \$440,944).

Signed in accordance with a resolution of the members of the management committee.


Judith Andrews
Management Committee member


Catherine La Delle
Management Committee member


Dated: 30/09/20

**Independent Auditor's Declaration to the
Members of Central Coast Living Options Inc.**

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

Erina: 30 September 2020

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Revenue	3	11,671,399	8,000,182
Expenses			
Activity expenses		(765)	-
Auditor's remuneration		(13,900)	(5,763)
Depreciation and amortisation expense		(214,029)	(98,802)
Computer expenses		(88,271)	(42,627)
Consultants		(15,100)	(13,321)
Employee benefits expense		(9,567,377)	(6,833,265)
Finance costs		(149,096)	(100,443)
Insurance expense		(29,076)	(24,502)
Motor vehicle expenses		(115,323)	(87,694)
Office expenses		(122,810)	(83,787)
Rent expenses		(181,162)	(41,585)
Rental property expenses		(235,157)	(97,097)
Support workers expenses		(51,688)	(33,880)
Telephone expenses		(36,195)	(29,037)
Other expenses		(29,342)	(67,435)
Surplus before income tax expense		822,108	440,944
Income tax expense		-	-
Surplus after income tax expense		822,108	440,944
Gain on Revaluation of Freehold Land		-	220,000
Gain on Revaluation of Buildings		-	583,029
Gain on Revaluation of Investment Properties		-	86,421
Total comprehensive income for the year		822,108	1,330,394

The accompanying notes form part of these financial statements

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement of Financial Position
As at 30 June 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash & cash equivalents	4	3,531,023	1,651,093
Trade & other receivables	5	176,894	175,371
Other assets	6	78,389	73,626
Total Current Assets		<u>3,786,306</u>	<u>1,900,090</u>
Non-Current Assets			
Investment properties	7	1,081,000	1,100,000
Property, plant & equipment	8	3,837,088	3,229,217
Total Non-Current Assets		<u>4,918,088</u>	<u>4,329,217</u>
Total Assets		<u>8,704,394</u>	<u>6,229,307</u>
Current Liabilities			
Trade & other payables	9	624,731	202,221
Other liabilities	10	1,093,550	187,944
Borrowings	11	339,079	181,809
Employee benefits	12	612,186	505,243
Total Current Liabilities		<u>2,669,546</u>	<u>1,077,217</u>
Non-Current Liabilities			
Borrowings	11	1,982,010	1,926,926
Employee benefits	12	41,616	36,050
Total Non-Current Liabilities		<u>2,023,626</u>	<u>1,962,976</u>
Total Liabilities		<u>4,693,172</u>	<u>3,040,193</u>
Net Assets		<u>4,011,222</u>	<u>3,189,114</u>
Members Funds			
Retained Earnings	13	3,121,772	2,299,664
Revaluation Reserve		889,450	889,450
Total Members Funds		<u>4,011,222</u>	<u>3,189,114</u>

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement of Changes in Members Funds
For the year ended 30 June 2020

	Retained Earnings	Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	1,858,720	-	1,858,720
Surplus for the year	440,944	-	440,944
Other Comprehensive Income for the year	-	889,450	889,450
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	2,299,664	889,450	3,189,114
Surplus for the year	822,108	-	822,108
Other Comprehensive Income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	3,121,772	889,450	4,011,222

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		13,651,479	7,927,503
Interest received		21,139	26,034
Interest paid		(149,096)	(100,443)
Payments to suppliers and employees		(11,053,046)	(7,314,643)
Net cash provided by (used in) operating activities	15	2,470,476	538,451
Cash Flows from Investing Activities			
Receipts/(Payments) from financial assets		-	4,849
Payments for investment property		-	-
Payments for property, plant & equipment		(802,900)	(286,353)
Net cash provided by (used in) investing activities		(802,900)	(281,504)
Cash flows from financing activities			
Proceeds from borrowings		415,289	226,371
Repayment of borrowings		(202,935)	(175,502)
Net cash from/(used in) financing activities		212,354	50,869
Net increase/(decrease) in cash and cash equivalents		1,879,930	307,816
Cash and cash equivalents at the beginning of the financial period		1,651,093	1,343,277
Cash and cash equivalents at the end of the Financial Period		3,531,023	1,651,093

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

1. Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 and associated regulations. The committee has determined that the association is not a reporting entity.

Central Coast Living Options Inc. is an incorporated association registered under the Associations Incorporations Act 2009 and domiciled in New South Wales.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of this financial report.

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

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

(b) Basis of Preparation

In the committee members' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purpose of complying with the New South Wales legislation the Associations incorporation Act 2009, Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 and associated regulations. The committee members have determined that the accounting policies adopted are appropriate to meet the needs of the members of Central Coast Living Options Inc.

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 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 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical Cost Convention

The financial statement have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss.

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

1. Summary of Significant Accounting Policies, continued

(b) Basis of Preparation, continued

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 incorporated 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.

(c) Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Grants and Donations

Grant and donation revenue is recognised when the incorporated association obtains control over the funds, which is usually at the time of receipt.

Interest

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.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables.

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

1. Summary of Significant Accounting Policies, continued

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

(g) Investment and other financial assets

Investments and other financial assets are initially measured at cost and subsequently measured at either amortised cost or fair value depending on classification. Classification is based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

(h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. Freehold land and buildings are measured on the cost basis.

Plant and equipment are measured on the cost basis.

All fixed assets, excluding freehold land, are depreciated on a straight line over their useful lives of the business over their expected useful lives as follows:

Buildings	20 years
Plant and Equipment	3-10 years
Motor Vehicles	5-8 years

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(j) Trade and Other Payables

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

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

1. Summary of Significant Accounting Policies, continued

(k) Provisions

Provisions are recognised for legal and constructive obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Amount recognised is the best estimate of the consideration required to settle the obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(l) Employee Benefits

Short-Term employee Benefits

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

Other Long-Term Employee 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 period 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.

Defined contribution superannuation expense

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

(m) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability 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.

(n) Goods and Services Tax (GST) and other similar taxes

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the tax authority, are presented as operating cash flows.

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumption that affect the reported amounts in the financial statements. Management continually evaluates 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 amount of assets and liabilities within the next financial year are discussed below.

Provision for impairment of receivables

The level of provision is assessed by considering recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of inventories

The provision is assessed by considering recent sales experience, the ageing of inventories and other factors affecting obsolescence.

Estimation of useful lives of assets

Estimated useful lives, related depreciation and amortisation charges for its property, plant and equipment could vary as a result of technical innovations or some other event and 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 down.

Impairment of non-financial assets

Impairment is assessed by evaluating conditions specific to the asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

Employee benefits provision

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 increases through promotion and inflation have been taken into account.

Revenue from Sponsorship

Judgement and estimates need to be exercised to determine if funding received is a non-reciprocal transfer.

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

	2020 \$	2019 \$
3. Revenue		
Service Income	11,155,227	7,743,474
Fundraising Income	600	690
Interest	21,139	26,034
Rent	290,598	159,036
Other Revenue	153,835	70,948
Government Subsidies	50,000	-
Total Sales Revenue	<u>11,671,399</u>	<u>8,000,182</u>
 4. Cash & Cash Equivalents		
Cash on Hand	5,850	3,450
Cash at Bank	3,246,593	1,373,860
Financial Assets	278,580	273,783
Total Cash & Cash Equivalents	<u>3,531,023</u>	<u>1,651,093</u>
 5. Trade & other receivables		
Trade Receivables	174,877	110,535
Other Receivables	-	62,819
Rental Bond	2,017	2,017
Total Trade & Other Receivables	<u>176,894</u>	<u>175,371</u>
 6. Other Assets		
Prepayments	<u>78,389</u>	<u>73,626</u>

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

	2020 \$	2019 \$
7. Investment Properties		
Land – Canton Beach Road – at Independent Valuation	360,000	360,000
Buildings – Canton Beach Road – at Independent Valuation	380,000	380,000
Less: Accumulated Depreciation	(19,000)	-
Land – Canton Beach Road at Cost	360,000	360,000
Total Investment Properties	1,081,000	1,100,000

Valuations of Investment Properties

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. The investment properties are revalued tri-annually based on independent assessments by a member of the Australian Property Institute.

8. Property, Plant and Equipment

Land Wakool – at independent valuation	335,000	335,000
Land Minnamurra Road – at independent valuation	300,000	300,000
Land Lily Lane – at independent valuation	315,000	315,000
Land Victoria Avenue – at independent valuation	360,000	360,000
Total Land at Independent Valuation	1,310,000	1,310,000
Motor Vehicles – at cost	820,265	528,063
Less; accumulated depreciation	(382,913)	(275,564)
Total Motor Vehicles	437,352	252,499
Group Home Lily Lane – at independent valuation	395,000	395,000
Less: Accumulated Depreciation	(19,750)	-
	375,250	395,000
Group Home Wakool – at independent valuation	380,000	380,000
Less; Accumulated Depreciation	(19,000)	-
	361,000	380,000

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

	2020 \$	2019 \$
8. Property, Plant and Equipment, continued		
Group Home Victoria Ave– at cost	235,000	235,000
Less; Accumulated depreciation	(35,089)	(23,339)
	<u>199,911</u>	<u>211,661</u>
Group Home Minnamurra – at cost	1,196,469	685,772
Less: Accumulated depreciation	(42,894)	(5,715)
	<u>1,153,575</u>	<u>680,057</u>
Total Group Homes	<u>2,089,736</u>	<u>1,666,718</u>
Total Property, Plant and Equipment	<u>3,837,088</u>	<u>3,229,217</u>

Movements in Carrying Accounts

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

	Land \$	Group Homes \$	Motor Vehicle \$	Total \$
2019				
Balance at the beginning of the year	1,090,000	895,421	253,215	2,238,636
Additions at cost	-	205,732	80,621	286,353
Disposals & Transfers	-	300,544	-	300,544
Revaluation adjustments	220,000	282,486	-	502,486
Depreciation expense	-	(17,465)	(81,337)	(98,802)
Carrying amount at end of year	<u>1,310,000</u>	<u>1,666,718</u>	<u>252,499</u>	<u>3,229,217</u>
	Land \$	Group Homes \$	Motor Vehicle \$	Total \$
2020				
Balance at the beginning	1,310,000	1,666,718	252,499	3,229,217
Additions at cost	-	510,697	292,203	802,900
Disposals & Transfers	-	-	-	-
Depreciation expense	-	(87,679)	(107,350)	(195,029)
Carrying amount at end of year	<u>1,310,000</u>	<u>2,089,736</u>	<u>437,352</u>	<u>3,837,088</u>

Central Coast Living Options Inc.
ABN 37 089 411 280

Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

	2020 \$	2019 \$
9. Trade & Other Payables		
Trade payables	102,204	46,029
Accrued expenses	70,453	47,514
BAS payable	168,060	108,678
Other payables	6,142	-
Workers compensation	277,872	-
Total Trade & Other Payables	<u>624,731</u>	<u>202,221</u>
10. Other Liabilities		
Funding in advance	<u>1,093,550</u>	<u>187,944</u>
11. Borrowings		
Current		
Bank Loans	294,700	144,367
Finance Loans	44,379	37,442
Total Current Borrowings	<u>339,079</u>	<u>181,809</u>
Non-current		
Bank Loans	1,896,739	1,854,280
Finance Loans	85,271	72,646
Total Non-current Borrowings	<u>1,982,010</u>	<u>1,926,926</u>
The bank overdraft and loans are secured by mortgages over the incorporated association's land and buildings.		
12. Employee benefits		
Current		
Annual leave	303,767	165,904
Long service leave	103,975	94,668
Personal leave	204,444	151,477
Redundancy	-	93,194
Total Current Employee Benefits	<u>612,186</u>	<u>505,243</u>
Non-current		
Annual leave	6,496	1,363
Long service leave	35,120	34,687
Total Non-current Employee Benefits	<u>41,616</u>	<u>36,050</u>

Central Coast Living Options Inc.
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Notes To The Financial Statements
For The Financial Year Ended 30 June 2020

	2020 \$	2019 \$
13. Retained Earnings		
Retained Earnings at the beginning of the financial year	2,299,664	1,858,720
Net (loss)/profit attributable to the association	822,108	440,944
Retained Earnings at year end	<u>3,121,772</u>	<u>2,299,664</u>
14. Events after the reporting period		
No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect, the incorporated association's operations, results of these operations, or the incorporated association's state of affairs in future financial years.		
15. Reconciliation of Cash Flows from Operating Activities		
Surplus for the year	822,108	440,944
Adjustments for:		
Depreciation and Amortisation Expense	214,029	98,802
Changes in net assets and liabilities:		
(Increase)/Decrease in Trade & Other Receivables	(63,341)	(109,464)
(Increase)/Decrease in Other Assets	57,055	(35,656)
Increase/(Decrease) in Trade & Other Payables	1,328,116	112,697
Increase/(Decrease) in Employee Benefits	112,509	31,128
Cash Flows from Operating Activities	<u>2,470,476</u>	<u>538,451</u>

16. Disclosures under the NSW Charitable Fundraising Act 1991

Fundraising appeals conducted by the Association during the year led to a number of donations. Comparisons of certain monetary figures and percentages in accordance with the requirements of the *NSW Charitable Fundraising Act 1991* are set out below.

	2020 \$	2019 \$
Aggregate gross income from bequests*	-	-
Aggregate gross income from fundraising	-	-
Aggregate gross income from donations	600	690
Less total direct cost of fundraising	-	-
	<u>600</u>	<u>690</u>

* Bequests are excluded from the *Charitable Fundraising Act 1991*

Central Coast Living Options Inc.
ABN 37 089 411 280

Statement by Members of the Committee of Management

In the Committee of Management's opinion:

- (i) the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Associations Incorporations Act 2009 (NSW)*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991* and associated regulations;
- (ii) the attached financial statements and notes comply with the Australian Accounting Standards as described in note 1 to the financial statements;
- (iii) the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
- (iv) there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable;
- (v) the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals; and
- (vi) the internal controls exercised by the incorporated association are appropriate and effective in accounting for all income received and applied by the incorporated association from all fundraising appeals.

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


Judith Andrews
Management Committee member


Catherine La Delle
Management Committee member

Dated: 30/09/20

**Independent Audit Report to The Members of
Central Coast Living Options Inc.**

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Central Coast Living Options Inc. (the association), which comprises the statement of financial position as at 30 June 2020, statement of profit or loss & other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee Members' declaration.

In our opinion the financial report of Central Coast Living Options Inc. is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the year ended on that date;
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (c) the *Charitable Fundraising Act 1991*, including
 - (i) the financial report shows a true and fair view of the financial result of fundraising appeals for the year to which they relate; and
 - (ii) the financial report and associated records have been properly kept during the year in accordance with this Act and the regulations; and
 - (i) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with this Act and the regulations; and
 - (ii) Central Coast Living Options Inc. is solvent, as it is able to pay its debts as and when they fall due.

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 auditor's independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethics Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The financial report of Central Coast Living Options Incorporated is a special purpose financial report that has been prepared in accordance with the accounting policies described in Note 1 to the financial report.

Other Information

The Committee Members are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2020, but does not include the financial report or our auditor's report thereon.

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

**Independent Audit Report to The Members of
Central Coast Living Options Inc.**

Other Information Continued ...

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

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

Committee Members' Responsibility for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the committee members 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 the Committee Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the Committee Members either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility 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 it is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from Fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design the 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 effectiveness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions or conditions may cause the entity to cease to continue as a going concern.

**Independent Audit Report to The Members of
Central Coast Living Options Inc.**

Auditor's Responsibility for the Audit of the Financial Report Continued ...

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW

Dated: 30 September 2020

Central Coast Living Options Limited (ACN 643 624 257)

NOTICE OF SPECIAL RESOLUTION

Notice is hereby given that the following Special Resolution will be put to the
Annual General Meeting
to be held at the Zenith Business Centre, 6 Reliance Drive, Tuggerah, on
Wednesday 11 November, 2020 at 6.00pm

At the AGM, the following Special Resolution will be proposed:

"That the Constitution of Central Coast Living Options Limited be amended by deleting the current Clause 69 of the Constitution which provides as follows –

69. Distribution of surplus assets

- 69.1 Subject to the Corporations Act and any other applicable Act, and any court order, any surplus assets that remain after the company is wound up must be distributed to one or more charities:
- (a) with charitable purpose(s) similar to, or inclusive of, the purpose(s) in clause 6, and
 - (b) which also prohibit the distribution of any surplus assets to its members to at least the same extent as the company.
- 69.2 The decision as to the charity or charities to be given the surplus assets must be made by a special resolution of members at or before the time of winding up. If the members do not make this decision, the company may apply to the Supreme Court to make this decision.

And by inserting in its place the following new Clause 69 of the Constitution –

69. Distribution of surplus assets

- 69.1 Subject to the Corporations Act and any other applicable Act, and any court order, any surplus assets (including 'gift funds' defined in clause 69.4) that remain after the company is wound up must be distributed to one or more charities:
- (a) with charitable purpose(s) similar to, or inclusive of, the purpose(s) in clause 6,
 - (b) which also prohibit the distribution of any surplus assets to its members to at least the same extent as the company, and
 - (c) that is or are deductible gift recipients within the meaning of the Income Tax Assessment Act 1997 (Cth).
- 69.2 The decision as to the charity or charities to be given the surplus assets must be made by a special resolution of members at or before the time of winding up. If the members do not make this decision, the company may apply to the Supreme Court to make this decision.
- 69.3 If the company's deductible gift recipient endorsement is revoked (whether or not the company is to be wound up), any surplus gift funds must be transferred to one or more charities that meet the requirements of 69.1(a), (b) and (c), as decided by the directors.
- 69.4 For the purpose of this clause:
- (a) 'gift funds' means:
 - (i) gifts of money or property for the principal purpose of the company
 - (ii) contributions made in relation to a fund-raising event held for the principal purpose of the company, and
 - (iii) money received by the company because of such gifts and contributions.

(b) 'contributions' and 'fund-raising event' have the same meaning as in Division 30 of the Income Tax Assessment Act 1997 (Cth)."

Comments:

The above amendment is proposed in order to preserve the **Deductible Gift Recipient** status of the Company with the Australian Taxation Office.

Voting:

Voting may be in person or by Proxy. Each member, being entitled under the Constitution to do so, shall be entitled to appoint another Member as proxy by Notice sent to the Secretary no later than 48 hours before the time of the meeting.

A Proxy Voting Form is enclosed. Any completed and signed forms must be returned to CCLO Living, Unit 10C, 1 Bounty Close, Tuggerah Business Park by 6.00pm on Monday, 9 November, 2020.

In these COVID-19 times it is important you advise us if you intend to be at the meeting personally by phoning 4353 2411, or email to kevin.johnston@cclo.com.au by Tuesday 10 November, 2020, but we would strongly encourage you to use your proxy to facilitate "social distancing".

DATED: 19th October, 2020.



Judith Andrews
CHAIRPERSON

