

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Financial Statements

For the Year Ended 30 June 2018

Yass Valley Aged Care Limited

ABN: 32 150 316 895

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Yass Valley Aged Care Limited

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Directors' Report

30 June 2018

Yass Valley Aged Care Limited is incorporated under the Corporations Act 2001 as a company limited by guarantee. The Company incorporates the operations of the facilities known as Horton House Nursing Home and Warrington Lodge. The directors of Yass Valley Aged Care Limited submit the following report and the accompanying financial statements in respect of the financial year ended 30 June 2018.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Michael Walker	Director / President	
Hugh McDonald	Director	
Reg Moebus	Director	
Chris Copeland	Director / Casual Vacancy	Appointed January 2018
Melina Waters	Director	
Mark Gibbs	Director	
Wendy Dashwood	Director	
Anthony Reeves	Director / Vice President	
Nyree Ashton	Director	
Paul Turner	Director	

Information on directors

The following information relates to the directors of Yass Valley Aged Care Limited:

Michael Walker

- Qualifications - LLB ANU
- Experience - 15 yrs practice as solicitor NSW (1975 - 1990)
- 30 yrs management farming operations (1984 - present)
- Special Responsibilities - Convenor of Future Directions Committee

Hugh McDonald

- Qualifications - Bachelor of Laws
- Bachelor of Economics (Honours)
- Admitted to the High Court
- Unrestricted practicing certificate issued from NSW Law Society
- Experience - Partner – Davis Faulkner and Co.
- Special Responsibilities - Member of Future Directions Committee

Reg Moebus

- Qualifications - Commerce (Accounting Procedures) Certificate Canberra TAFE College 1976
- Experience - 47 yrs finance career in both private & public sector
- Special Responsibilities - Member of Audit & Risk Committee

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Directors' Report

30 June 2018

Chris Copeland

Qualifications

- Dip Applied Science (Agriculture)
- Dip Education

Experience

- Secondary School Teacher (7yrs)
- Animal Health Sales Rep (7yrs)
- Director Landmark Copeland Medway (17yrs)
- Motelier (10yrs)

Special Responsibilities

- Member of Future Directions Committee

Melina Waters

Qualifications

- Bachelor of Commerce 1993
- Certified Practising Accountant

Experience

- 20 years experience in public accounting practice

Special Responsibilities

- Convenor of Audit & Risk Committee

Mark Gibbs

Qualifications

- B Health Sciences - pre hospital care
- Associate Diploma Paramedicine
- Associate Diploma Government Management

Experience

- Superintendent in NSW ambulance Service

Special Responsibilities

- Member of Personnel and Remuneration Committee

Wendy Dashwood

Qualifications

- Diploma in Dental Hygiene
- Certificate III in Aged Care

Experience

- Business owner

Special Responsibilities

- Member of Personnel and Remuneration Committee

Anthony Reeves

Qualifications

- LL.M

Experience

- 27 yrs experience as a solicitor (1976-2003)

Special Responsibilities

- Convenor of Personnel and Remuneration Committee

Nyree Ashton

Qualifications

- B Commerce (Accounting) UC
- Diploma of Financial Planning IIT
- FCPA, FIPA

Experience

- Accountant in public practice (1992-present)

Special Responsibilities

- Member of Audit and Risk Committee

Paul Turner

Qualifications

- Diploma of Teaching
- Bachelor of Administration (Education)

Experience

- 1977-2003 Primary / Secondary Education. 12yrs as a Principal
- 1996-present Owner / Manager Turner's Wholesale Nursery

Special Responsibilities

- Member of Future Directions Committee

Yass Valley Aged Care Limited

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Directors' Report

30 June 2018

Principal activities and significant changes in nature of activities

The principal activities of Yass Valley Aged Care Limited during the financial year was to provide aged care services to the Yass Valley through the provision of residential accommodation and community care.

There were no significant changes in the nature of Yass Valley Aged Care Limited's principal activities during the financial year.

Short term objectives

The Company's short term objectives are to:

- Provide quality residential accommodation and community care for all persons pursuant to the Aged Care Act, or its replacement.
- To do all such things for the aid, comfort, benefit and welfare of residents in Horton House and Warmington Lodge and all others receiving care from the Company.

Long term objectives

The Company's long term objectives are to be sustainable and strive for continuous improvement so as to offer the best possible care for the aged population requiring our assistance.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Development of an annual strategic plan and undertaking of the strategies within this plan
- Commitment to the implementation of the highest standards of quality care for residents and staff through continuous improvement
- Promotion of leadership at all levels through staff and volunteer training and education
- Accountability to all stakeholders by meeting identified statutory responsibilities in an ethical and timely manner
- Delivering service to the community through the provision of excellence in care to residents, their families and friends.

Performance measures

The following measures are used within the Company to monitor performance:

- Audited annual Financial Reports
- One unannounced agency visit per annum
- One announced agency visit per annum
- A three yearly accreditation process conducted by the accreditation agency.

Financial results

The deficit of the Company for the year ending 30 June 2018 was \$201,484 (2017 \$201,524 deficit).

Yass Valley Aged Care Limited

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Directors' Report 30 June 2018

Company Limited by Guarantee

Yass Valley Aged Care Limited is incorporated as a company limited by guarantee in NSW, Australia, having its registered office and principal place of business at 41 Castor Street, Yass, NSW 2582.

As a company limited by guarantee, the liability of members is limited. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person who ceased to be a member in the year prior to the winding up, is limited to \$2 subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$190 (2017: \$174).

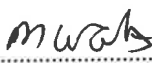
Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Michael Walker	11	10
Hugh McDonald	11	7
Reg Moebus	11	9
Chris Copeland	6	5
Melina Waters	11	10
Mark Gibbs	11	7
Wendy Dashwood	11	9
Anthony Reeves	11	11
Nyree Ashton	11	7
Paul Turner	11	9

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

YASS

Dated 28 September 2018

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	4	5,232,019	5,425,562
Accounting and audit fees		(63,452)	(116,922)
Advertising		(910)	(1,089)
Bank fees		(439)	(270)
Cleaning expenses		(70,692)	(66,579)
Consultancy		(17,219)	(55,836)
Depreciation and amortisation expense		(419,137)	(442,941)
Employee provisions		(70,017)	(47,684)
Insurance		(43,589)	(39,528)
Insurance - workers compensation		(93,729)	(90,011)
Kitchen and laundry supplies		(25,194)	(23,629)
Motor vehicle expenses		(14,392)	(13,324)
Other employee expenses		(21,267)	(19,708)
Other expenses		(9,823)	(8,992)
Printing, postage and stationery		(17,415)	(19,904)
Rental property expenses		(10,377)	(9,391)
Repairs and maintenance		(162,466)	(163,167)
Residents expenses		(492,087)	(562,635)
Subscriptions and licences		(5,833)	(10,207)
Subsidies expenses		(11,289)	(22,528)
Superannuation contributions		(316,043)	(313,762)
Telecommunications		(10,225)	(10,818)
Utilities		(177,562)	(141,510)
Wages		(3,380,346)	(3,446,651)
Deficit before income tax		(201,484)	(201,524)
Income tax expense	2(a)	-	-
Deficit for the year		(201,484)	(201,524)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(201,484)	(201,524)

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

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Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,166,406	1,886,348
Trade and other receivables	6	98,820	278,212
Other financial assets	7	6,655,472	7,107,601
Prepayments		14,774	19,425
TOTAL CURRENT ASSETS		8,935,472	9,291,586
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,463,540	8,791,646
Investment properties	9	871,857	883,314
Intangible assets	10	98,838	103,838
TOTAL NON-CURRENT ASSETS		11,434,235	9,778,798
TOTAL ASSETS		20,369,707	19,070,384
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	8,971,752	7,540,962
Employee benefits	12	673,743	580,102
TOTAL CURRENT LIABILITIES		9,645,495	8,121,064
NON-CURRENT LIABILITIES			
Employee benefits	12	-	23,624
TOTAL NON-CURRENT LIABILITIES		-	23,624
TOTAL LIABILITIES		9,645,495	8,144,688
NET ASSETS		10,724,212	10,925,696
EQUITY			
Retained earnings		10,724,212	10,925,696
TOTAL EQUITY		10,724,212	10,925,696

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

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**Statement of Changes in Equity
For the Year Ended 30 June 2018**

2018

	Retained Earnings
	\$
Balance at 1 July 2017	<u>10,925,696</u>
Deficit for the year	<u>(201,484)</u>
Balance at 30 June 2018	<u><u>10,724,212</u></u>

2017

	Retained Earnings
	\$
Balance at 1 July 2016	<u>11,127,220</u>
Deficit for the year	<u>(201,524)</u>
Balance at 30 June 2017	<u><u>10,925,696</u></u>

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

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Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from residents, government and others	5,591,422	5,386,593
Payments to suppliers and employees	(5,049,878)	(5,187,462)
Interest received	141,665	201,876
Net cash provided by/(used in) operating activities	<u>683,209</u>	<u>401,007</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net movement in investments	452,129	(975,677)
Payments for property, plant and equipment	(1,633,906)	(511,630)
Net cash provided by/(used in) investing activities	<u>(1,181,777)</u>	<u>(1,487,307)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bonds and deposits	4,080,692	2,088,320
Repayments of bonds and deposits	(3,302,066)	(1,313,513)
Net cash provided by/(used in) financing activities	<u>778,626</u>	<u>774,807</u>
Net increase/(decrease) in cash and cash equivalents held	280,058	(311,493)
Cash and cash equivalents at beginning of year	1,886,348	2,197,841
Cash and cash equivalents at end of financial year	5 <u>2,166,406</u>	<u>1,886,348</u>

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Yass Valley Aged Care Limited as an individual entity which incorporates the operations of the facilities known as Horton House Nursing Home and Warmington Lodge. Yass Valley Aged Care Limited is a not-for-profit Company limited by guarantee, registered and domiciled in Australia. The company was incorporated on 15 April 2011 (ACN: 150 316 895). It is registered with the Australian Business Register - Australian Business Number 32 150 316 895 and is registered for Goods & Services Tax purposes. The company is registered as an income tax exempt charitable entity with the Australian Charities and Not-for-profits Commission. Additionally the company is registered as a deductible gift recipient under subdivision 30B of the *Income Tax Assessment Act 1997*. The company holds an authority to fundraise for charitable purposes under the *Charitable Fundraising Act 1991* (#CFN22056). This authority remains in force until 1 September 2023. The registered office and principal place of business is located at 41 Castor Street, Yass, NSW, 2582.

The functional and presentation currency of Yass Valley Aged Care Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 28 September 2018.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 4%
Plant, equipment, furniture and fittings	4% - 100%
Artworks	1% - 7.5%
Motor Vehicles	12.5% - 22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Investment property

Investment properties, comprising two rental properties, are held to generate long-term yields. All tenant leases are on an arm's length basis. Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment properties are depreciated in accordance with the policy set out for property, plant and equipment.

(d) Intangibles

Intangible assets incorporate purchased bed licenses, a logo and a policy system. Intangible assets are recorded at cost less any accumulated amortisation and impairment losses. Bed licenses are not amortised as they have an indefinite life. The policy system is amortised over 4 years on a straight line basis and the logo was amortised over 3 years on a straight line basis.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from government subsidies is recognised progressively on a monthly basis. The portion of government subsidies received that relates to services to be provided in the following financial year is brought to account at balance date as income in advance.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(h) Revenue and other income

Other income

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

(i) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Accommodation bonds and Refundable Accommodation Deposits & Contributions

The balance represents amounts contributed by residents to occupy the residential aged care facilities. The amount contributed by each resident is subject to an assets test or income and assets test. The Company is generally entitled to retain a portion of each accommodation bond as income depending upon the date of entry of the resident, each year for maximum period of 5 years. Retention amounts are not deducted from refundable accommodation deposits or contributions, however daily accommodation payments and contributions may be deducted from these amounts. The remaining balance of each bond or deposit is repayable on cessation of occupancy by the resident. In accordance with the requirements of Australian Accounting Standards, the liability is recognised as a current liability even though the Directors believe that most repayments will generally occur more than 12 months after the reporting period or will be replaced with amounts received from incoming residents.

(k) Net current deficit

At 30 June 2018, the company was in a net current liability position of \$710,023. Notwithstanding this, management have prepared the accounts on a going concern basis on the basis of the following:

- The company has \$8,051,199 in current liabilities relating to resident accommodation bonds, refundable deposits and contributions. The balance of these liabilities to be paid in out in the next 12 months is not expected to be significantly higher than amounts received based on past history and future expectations
- Included in current liabilities is long service leave of \$350,631, a significant portion of which is not expected to be called upon in the next 12 months.

(l) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*, and
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

There are no significant estimates and judgements that have not been disclosed in the above accounting policies.

4 Revenue and Other Income

	2018	2017
	\$	\$
Operating Activities		
- Government subsidies and payments	2,766,847	2,997,708
- Resident and client contributions	1,926,315	1,954,703
- Rental revenue	37,875	31,460
	<u>4,731,037</u>	<u>4,983,871</u>
Finance income		
- Bank deposits	194,713	213,267
- Bonds	16	12,525
Total interest income	<u>194,729</u>	<u>225,792</u>
Other revenue		
- Donations	238,796	196,839
- Fundraising income	821	1,994
- Sundry income	7,024	6,866
- Other income - MOW	59,612	10,200
	<u>306,253</u>	<u>215,899</u>
Total Revenue	<u>5,232,019</u>	<u>5,425,562</u>

5 Cash and Cash Equivalents

Cash at bank and in hand	2,166,406	1,886,348
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6 Trade and Other Receivables

CURRENT		
Trade and other receivables	50,133	173,109
Accrued interest	48,687	105,103
Total current trade and other receivables	<u>98,820</u>	<u>278,212</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2018

7 Other Financial Assets

Held-to-maturity investments

	2018	2017
	\$	\$
CURRENT		
Term deposits (maturities of 6 to 12 months)	<u>6,655,472</u>	<u>7,107,601</u>

8 Property, plant and equipment

LAND AND BUILDINGS

Freehold land		
At cost	<u>457,538</u>	<u>457,538</u>
Buildings		
At cost	<u>10,107,921</u>	<u>10,107,921</u>
Accumulated depreciation	<u>(3,242,044)</u>	<u>(2,989,278)</u>
Total buildings	<u>6,865,877</u>	<u>7,118,643</u>
Total land and buildings	<u>7,323,415</u>	<u>7,576,181</u>
Plant, equipment, furniture and fittings		
At cost	<u>3,188,310</u>	<u>3,172,719</u>
Accumulated depreciation	<u>(2,482,913)</u>	<u>(2,338,591)</u>
Total plant, equipment, furniture and fittings	<u>705,397</u>	<u>834,128</u>
Artworks		
At cost	<u>32,243</u>	<u>32,243</u>
Accumulated depreciation	<u>(5,170)</u>	<u>(4,846)</u>
Total artworks	<u>27,073</u>	<u>27,397</u>
Motor vehicles		
At cost	<u>112,082</u>	<u>112,082</u>
Accumulated depreciation	<u>(96,379)</u>	<u>(91,110)</u>
Total motor vehicles	<u>15,703</u>	<u>20,972</u>
Work in Progress		
At cost	<u>2,391,952</u>	<u>332,968</u>
Total property, plant and equipment	<u>10,463,540</u>	<u>8,791,646</u>

Yass Valley Aged Care Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

8 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant, equipment, furniture and fittings	Artworks	Motor Vehicles	Works in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2018							
Balance at the beginning of year	457,538	7,118,643	834,128	27,397	20,972	332,968	8,791,646
Additions	-	-	15,591	-	-	2,058,984	2,074,575
Depreciation expense	-	(252,766)	(144,322)	(324)	(5,269)	-	(402,681)
Balance at the end of the year	457,538	6,865,877	705,397	27,073	15,703	2,391,952	10,463,540

9 Investment Properties

	2018	2017
	\$	\$
Land	548,259	548,259
Buildings	419,273	419,273
Accumulated depreciation	(95,675)	(84,218)
Total investment property	871,857	883,314

Movement in the carrying amounts for investment property between the beginning and the end of the current financial year:

	Land	Buildings	Total
	\$	\$	\$
Year ended 30 June 2018			
Balance at the beginning of year	548,259	335,055	883,314
Depreciation expense	-	(11,457)	(11,457)
Balance at the end of the year	548,259	323,598	871,857

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Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Intangible Assets

	2018	2017
	\$	\$
Bed licenses		
Cost	98,277	98,277
Logo		
Cost	4,099	4,099
Accumulated amortisation	(4,099)	(4,099)
Net carrying value	-	-
Computer software		
Cost	20,000	20,000
Accumulated amortisation	(19,439)	(14,439)
Net carrying value	561	5,561
Total Intangibles	98,838	103,838

(a) Movements in carrying amounts of intangible assets

	Logo	Bed licenses	Computer software	Total
	\$	\$	\$	\$
Year ended 30 June 2018				
Balance at the beginning of the year	-	98,277	5,561	103,838
Amortisation	-	-	(5,000)	(5,000)
Closing value at 30 June 2018	-	98,277	561	98,838

11 Trade and Other Payables

Current		
Creditors and accruals	920,553	268,390
Accommodation bonds	1,230,128	2,076,259
Refundable accommodation deposits and contributions	6,821,071	5,196,313
	8,971,752	7,540,962

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Accommodation bonds and refundable accommodation deposits and contributions are recorded as current liabilities as the Company does not have an unconditional right to defer settlement of the liabilities for at least 12 months after the reporting period. The Directors believe that repayment of these liabilities in the next 12 months after the reporting period will be at a minimum replaced with amounts received from incoming residents.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements For the Year Ended 30 June 2018

12 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Long service leave	350,631	278,583
Annual leave	323,112	301,519
	<u>673,743</u>	<u>580,102</u>
Non-current liabilities		
Long service leave	-	23,624
	<u>673,743</u>	<u>603,726</u>

13 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and trade and other payables. The terms and conditions of these instruments are consistent with those regularly adopted by businesses in Australia.

The Company is not exposed to any significant credit, liquidity or interest rate risks.

The totals for each category of financial instruments are as follows:

Cash and cash equivalents	2,166,406	1,886,348
Held-to-maturity financial assets	6,655,472	7,107,601
Trade and other receivables	98,820	278,212
Financial liabilities at amortised cost	(8,971,752)	(7,540,961)
	<u>(51,054)</u>	<u>1,731,200</u>

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 95 (2017: 87).

15 Key Management Personnel Remuneration

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

The total remuneration paid to key management personnel of the Company is \$230,425 (2017: \$224,130).

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2018

17 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Other than the compensation of key management personnel, which is separately disclosed in these statements, there were no related party transactions during the financial year.

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 September 2018 by the Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

19 Operating Segments

Segment information

Identification of reportable segments

The Company operates in the aged care industry in Australia. As a Not-for-profit entity, AASB 'Operating Segments' does not apply to the Company. The following information is provided to comply with the Aged Care Act 1997.

Business and Geographic Segments

Business Segments

Yass Valley Aged care Limited has the following two business segments:

- 'Residential Aged Care' facilities provide residential aged care to residents in 'Ageing in Place' Home approved under the Aged Care Act 1997.
- 'Other', which includes Home Care Packages funded from the Department of Social Services and from client contributions, as well as sundry services such as Meals on Wheels.

Geographic Segments

Yass Valley Aged care Limited operates in one geographical region, being the Yass Valley region, NSW.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements For the Year Ended 30 June 2018

19 Operating Segments

Accounting policies adopted

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses accommodation bonds and refundable accommodation deposits and contributions.

(a) Segment performance

	Residential Aged Care		Other		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
REVENUE						
Government subsidies	2,515,117	2,722,405	251,730	275,303	2,766,847	2,997,708
Resident and client contributions	1,826,997	1,911,968	99,318	42,735	1,926,315	1,954,703
Donations	238,796	196,839	-	-	238,796	196,839
Interest revenue	194,729	225,792	-	-	194,729	225,792
Rental income	37,875	31,460	-	-	37,875	31,460
Other income	67,457	8,860	-	10,200	67,457	19,060
Total segment revenue	4,880,971	5,097,324	351,048	328,238	5,232,019	5,425,562
Employee expenses	3,576,976	3,511,909	304,426	315,897	3,881,402	3,827,806
Care related expenses	707,005	633,503	48,947	41,867	755,952	675,370
Depreciation and amortisation	417,584	441,826	1,553	1,115	419,137	442,941
Other expenses	361,274	659,406	15,740	21,563	377,014	680,969
Total segment expenses	5,062,839	5,246,644	370,666	380,442	5,433,505	5,627,086
Segment operating result	(181,868)	(149,320)	(19,616)	(52,204)	(201,484)	(201,524)

(b) Segment assets and liabilities

- Segment assets	20,281,574	19,027,055	88,133	43,329	20,369,707	19,070,384
- Segment liabilities	(9,479,537)	(8,043,150)	(165,958)	(101,538)	(9,645,495)	(8,144,688)
- Net Assets	10,802,037	10,983,905	(77,825)	(58,209)	10,724,212	10,925,696

Yass Valley Aged Care Limited

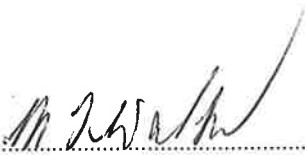
ABN: 32 150 316 895

Directors' Declaration

The responsible persons declare that in the directors' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Director 

Director 

YASS
Dated 28 September 2018

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Fundraising Declaration

In the opinion of the Board:

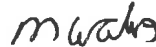
- the financial reports give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, and
- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the Company, and
- the provisions of the Act (Charitable Fundraising Act, 1991 (NSW)), the regulations under the Act and the conditions attached to the authority have been complied with by the Company, and
- the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board.

Director



Director



YASS

Dated 28 September 2018



Auditor's Independence Declaration to the Directors of Yass Valley Aged Care Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.

KOTHES
Chartered Accountants

S N Byrne
Partner
Registered Company Auditor (#153624)
Yass, 28 September 2018



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Phillistin
Gary Skelton

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Independent Regional Member of Walker Wayland Australasia Limited, a network of independent accounting firms



Independent Audit Report to the members of Yass Valley Aged Care Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yass Valley Aged Care Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Yass Valley Aged Care Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

We also report that:

- the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- the accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991 (NSW)* and regulations (as amended);
- money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)*, and regulations (as amended); and
- at the date of this report, there are reasonable grounds to believe that the association will be 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Company's director's report, (but does not include the financial report and 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. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Independent Audit Report to the members of Yass Valley Aged Care Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

KOTHES
Chartered Accountants



S N Byrne
Partner
Registered Company Auditor (#153624)
Yass, 28 September 2018