

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Financial Statements

For the Year Ended 30 June 2021

Yass Valley Aged Care Limited

ABN: 32 150 316 895

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Yass Valley Aged Care Limited

ABN: 32 150 316 895

Directors' Report

30 June 2021

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 Warmington 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 2021.

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	
Brooke Sainsbery	Director	Resigned June 21 2021
Chris Copeland	Director	
Melina Waters	Director	
Fleur Flanery	Director	Appointed June 21 2021
Wendy Dashwood	Director	
Anthony Reeves	Director / Vice President	
Nyree Ashton	Director	
Paul Turner	Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

Brooke Sainsbery

Qualifications	- Bachelor of Applied Science (Occupational Therapy) - AHPRA Registered Occupational Therapist - Graduate Certificate in Public Health
Experience	- 2000-Present – Occupational Therapist in various community health teams and hospitals - 2010-2012 – Department of Aged care ACFI Reconsiderations Team - 2015 – Present – Small Business Owner – Clementine Restaurant & Bakery
Special Responsibilities	- Member of Personnel and Remuneration Committee

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Directors' Report

30 June 2021

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

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

Fleur Flanery

Qualifications	- Bachelor of Landscape Architecture (Hons) - Bachelor of Arts in Communication
Experience	- 20 yrs senior management project, event and procurement experience, in Commonwealth and State Government plus private organisation roles - Board experience at a community and state level
Special Responsibilities	- Member of Audit and Risk Committee

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.

Yass Valley Aged Care Limited

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Directors' Report

30 June 2021

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 and the meeting of requirements of the Aged Care Quality Standards (July 2019)
- 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 Aged Care Quality & Safety Commission.

Financial results

The deficit of the Company for the year ending 30 June 2021 was \$712,209 (2020: \$560,401 deficit).

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 2021 the collective liability of members was \$186 (2020: \$190).

Yass Valley Aged Care Limited

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Directors' Report

30 June 2021

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

The continuing effects of the COVID-19 virus significantly affected the operations of the Company. The Company continued to provide services as per normal however under COVID-19 restrictions. This increased costs in providing those services.

Events after the reporting date

The ongoing COVID-19 virus will continue to disrupt the operations of the Company. The effect on the future financial results of the Company from the COVID-19 virus is unknown as at the date of this financial report.

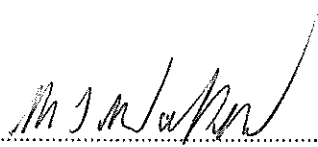
Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

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	11
Nyree Ashton	11	11
Hugh McDonald	11	9
Brooke Sainsbery	11	7
Chris Copeland	11	11
Melina Waters	11	11
Fleur Flanery	-	-
Wendy Dashwood	11	10
Anthony Reeves	11	11
Paul Turner	11	11

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

Director: 

YASS

Dated 25 October 2021

Yass Valley Aged Care Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	6,024,045	5,641,632
Finance income	5	35,784	92,873
Accounting, audit and professional fees		(84,565)	(108,563)
Accreditation fees		-	(11,891)
Advertising		(6,252)	(1,832)
Bank fees		(223)	(20)
Cleaning expenses		(81,614)	(82,793)
Consultancy		(28,311)	(47,359)
Depreciation and amortisation expense		(503,001)	(483,000)
Employee provisions		(67,878)	4,437
Insurance		(51,134)	(45,458)
Insurance - workers compensation		(168,279)	(114,221)
Loss on disposal of assets		(64,604)	-
Kitchen and laundry supplies		(33,313)	(24,001)
Motor vehicle expenses		(15,436)	(19,493)
Other employee expenses		(205,616)	(93,083)
Other expenses		(11,592)	(1,333)
Printing, postage and stationery		(19,123)	(18,209)
Rental property expenses		(6,358)	(5,637)
Repairs and maintenance		(185,148)	(195,942)
Residents expenses		(601,905)	(499,055)
Subscriptions and licences		(13,894)	(18,887)
Subsidies expenses		(89,479)	(62,134)
Superannuation contributions		(380,942)	(368,892)
Telecommunications		(11,241)	(14,209)
Utilities		(179,816)	(201,733)
Wages		(3,962,314)	(3,783,321)
(Deficit) before non-operating expense		(712,209)	(462,124)
<i>Non-operating expense</i>			
Impairment - Bed licenses		-	(98,277)
(Deficit) before income tax		(712,209)	(560,401)
Income tax expense	2(a)	-	-
(Deficit) from continuing operations		(712,209)	(560,401)
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment	10	120,494	-
Other comprehensive income for the year, net of tax		120,494	-
Total comprehensive income for the year		(591,715)	(560,401)

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 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	4,203,556	2,783,163
Trade and other receivables	8	186,800	130,560
Financial Assets - Investments	9	2,015,696	-
Financial Assets - Term Deposits	9	1,183,779	3,385,455
Prepayments		33,777	29,945
TOTAL CURRENT ASSETS		7,623,608	6,329,123
NON-CURRENT ASSETS			
Property, plant and equipment	10	10,857,969	11,360,773
Investment properties	11	945,595	848,944
TOTAL NON-CURRENT ASSETS		11,803,564	12,209,717
TOTAL ASSETS		19,427,172	18,538,840
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	9,463,816	8,051,648
Employee benefits	13	771,790	703,911
TOTAL CURRENT LIABILITIES		10,235,606	8,755,559
TOTAL LIABILITIES		10,235,606	8,755,559
NET ASSETS		9,191,566	9,783,281
EQUITY			
Reserves		120,494	-
Retained earnings		9,071,072	9,783,281
TOTAL EQUITY		9,191,566	9,783,281

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2020	9,783,281	-	9,783,281
Deficit for the year	(712,209)	-	(712,209)
Revaluation increment (decrement)	-	120,494	120,494
Balance at 30 June 2021	9,071,072	120,494	9,191,566

2020

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2019	10,343,682	-	10,343,682
Deficit for the year	(560,401)	-	(560,401)
Balance at 30 June 2020	9,783,281	-	9,783,281

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 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from residents, government and others	6,148,193	6,100,407
Payments to suppliers and employees	(6,303,455)	(6,308,672)
Interest received	35,374	145,776
Net cash provided by/(used in) operating activities	<u>(119,888)</u>	<u>(62,489)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net movement in financial assets (term deposits)	2,201,676	1,934,719
Purchase of financial asset - investment account	(2,000,000)	-
Payments for property, plant and equipment	(40,958)	(571,243)
Net cash provided by/(used in) investing activities	<u>160,718</u>	<u>1,363,476</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bonds and deposits	4,804,591	3,500,408
Repayments of bonds and deposits	(3,425,028)	(5,142,700)
Net cash provided by/(used in) financing activities	<u>1,379,563</u>	<u>(1,642,292)</u>
Net increase/(decrease) in cash and cash equivalents held	1,420,393	(341,305)
Cash and cash equivalents at beginning of year	2,783,163	3,124,468
Cash and cash equivalents at end of financial year	7 <u>4,203,556</u>	<u>2,783,163</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 2021

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 Warrington 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 25 October 2021.

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 significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land is measured using the fair value model (previous year at cost) 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% to 4 %
Plant, equipment, furniture and fittings	4% - 100%
Artworks	1% - 7.5%
Motor Vehicles	12.5% - 22.5%

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(b) Property, plant and equipment

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.

(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) Financial instruments

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Financial instruments

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Company's financial assets measured at FVTPL comprise of a managed investment account which consists of investments in shares of listed companies in Australia and a small cash component in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Financial instruments

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise of trade payables.

(e) 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.

(f) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Resident and client contributions

Resident and client contributions for aged care accommodation and other related services is accrued when provided to residents and other clients.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Other income

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

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(h) 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 payables 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.

(i) 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.

(j) Net current deficit

At 30 June 2021, the company was in a net current liability position of \$2,611,998 (2020 - \$2,426,436). Notwithstanding this, management have prepared the accounts on a going concern basis on the basis of the following:

- The company has \$8,932,438 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 \$356,903, a significant portion of which is not expected to be called upon in the next 12 months.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2021

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Government subsidies and payments	3,041,640	2,777,066
- Resident and client contributions	2,214,898	2,153,912
- Rental revenue	42,772	46,320
- Grant income	46,157	-
- Other income - MOW	-	40,387
- Other income	79,430	50,262
	<u>5,424,897</u>	<u>5,067,947</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Donations	491,858	439,624
- Workers compensation claims	57,290	84,061
- ATO Cash Flow Boost income	50,000	50,000
	<u>599,148</u>	<u>573,685</u>
Total Revenue	<u>6,024,045</u>	<u>5,641,632</u>

5 Finance Income

Finance income

Interest income

- Bank deposits	20,088	92,873
- Increase in market value of managed investment account	15,696	-
Total finance income	<u>35,784</u>	<u>92,873</u>

6 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

Employee benefits expense	4,785,029	4,355,080
Depreciation and amortisation expense	503,001	483,000
Impairment - Bed licenses	-	98,277
Net loss on disposal of property, plant and equipment	64,604	-

7 Cash and Cash Equivalents

Cash at bank and in hand	<u>4,203,556</u>	<u>2,783,163</u>
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Yass Valley Aged Care Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade and other receivables	175,533	114,974
Accrued interest	11,267	15,586
Total current trade and other receivables	186,800	130,560

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.

9 Other Financial Assets

Financial assets at fair value through profit or loss

CURRENT

Managed investment account	2,015,696	-
Opening balance	-	-
Purchase of SMA	2,000,000	-
Revaluation increase	15,696	-
Balance at end of year	2,15,696	-

The managed investment account is a Shaw and Partners Hybrid Income Separately Managed Account (SMA) which consists of investments in shares of listed companies in Australia and a small cash component. Movements in the market value of the account are accounted for through profit and loss. The Board have assessed this investment as very low risk.

Held-to-maturity investments

CURRENT

Term deposits (maturities of 6 to 12 months)	1,183,779	3,385,455
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Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value (prior year at cost)	470,000	457,538
Buildings		
At cost	14,002,508	14,002,508
Accumulated depreciation	(4,170,940)	(3,820,733)
Total buildings	9,831,568	10,181,775
Total land and buildings	10,301,568	10,639,313
Plant and equipment		
At cost	2,955,017	3,360,167
Accumulated depreciation	(2,504,372)	(2,753,175)
Total plant and equipment	450,645	606,992
Artworks		
At cost	32,243	32,243
Accumulated depreciation	(6,133)	(5,814)
Total artworks	26,110	26,429
Motor vehicles		
At cost	180,718	201,173
Accumulated depreciation	(101,072)	(113,134)
Total motor vehicles	79,646	88,039
Total property, plant and equipment	10,857,969	11,360,773

(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	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2021						
Balance at the beginning of year	457,538	10,181,775	606,992	26,429	88,039	11,360,773
Additions	-	-	40,958	-	-	40,958
Disposals	-	-	(64,420)	-	(184)	(64,604)
Revaluation increase	120,494	-	-	-	-	120,494
Reallocation to Investment Property (Note 11)	(108,032)	-	-	-	-	(108,032)
Depreciation expense	-	(350,207)	(132,885)	(319)	(8,209)	(491,620)
Balance at the end of the year	470,000	9,831,568	450,645	26,110	79,646	10,857,969

(b) Land

Land is now accounted for at fair value. The fair value was based on an independent valuation at market value by a registered valuer on 5 August 2021. Land relates to the property located at 45 castor Street, Yass, NSW.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Investment Properties

	2021	2020
	\$	\$
At cost		
Owned Property - Land		
Opening balance	548,259	548,259
Reallocation from property, plant and equipment (Note 10)	108,032	-
Balance at end of year	656,291	548,259
Owned Property - Buildings		
Buildings	419,273	419,273
Opening accumulated depreciation	(118,588)	(107,132)
Depreciation	(11,381)	(11,456)
Closing accumulated depreciation	(129,969)	(118,588)
Balance at end of the period	289,304	300,685
Total Investment Properties	945,595	848,944

12 Trade and Other Payables

Current		
Creditors and accruals	531,378	498,773
Accommodation bonds	556,690	591,003
Refundable accommodation deposits and contributions	8,375,748	6,961,872
	9,463,816	8,051,648

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.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	356,903	364,997
Annual leave	414,887	338,914
	<u>771,790</u>	<u>703,911</u>

Provision for Employee Benefits

Provision for employee benefits represents accrued balances for annual leave and long service leave.

The current portion for this includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

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 2021 the number of members was 93 (2020: 95).

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 \$292,869 (2020: \$240,752).

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

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.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 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 Health and from client contributions, as well as sundry services such as Meals on Wheels and Fee for Service.

Geographic Segments

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

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.

Notes to the Financial Statements
For the Year Ended 30 June 2021

18 Operating Segments

(a) Segment performance

	Residential Aged Care		Other		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
REVENUE						
Government subsidies	2,731,644	2,351,129	356,153	466,324	3,087,797	2,817,453
Resident and client contributions	2,198,637	2,128,610	16,261	25,302	2,214,898	2,153,912
Donations	491,858	376,169	-	63,455	491,858	439,624
Finance income	35,784	92,873	-	-	35,784	92,873
Rental income	42,772	46,320	-	-	42,772	46,320
Other income	186,720	184,323	-	-	186,720	184,323
Total segment revenue	5,687,415	5,179,424	372,414	555,081	6,059,829	5,734,505
Employee expenses	4,514,863	4,045,886	270,166	309,194	4,785,029	4,355,080
Care related expenses	757,108	671,200	116,550	63,818	873,658	735,018
Depreciation and amortisation	500,367	480,541	2,634	2,459	503,001	483,000
Other expenses	591,043	709,425	19,307	12,383	610,350	721,808
Total segment expenses	6,363,381	5,907,052	408,657	387,854	6,772,038	6,294,906
Segment operating result	(675,966)	(727,628)	(36,243)	167,227	(712,209)	(560,401)

(b) Segment assets and liabilities

- Segment assets	19,084,287	18,227,980	342,885	310,860	19,427,172	18,538,840
- Segment liabilities	(9,986,887)	(8,575,109)	(248,719)	(180,450)	(10,235,606)	(8,755,559)
- Net Assets	9,097,400	9,652,871	94,166	130,410	9,191,566	9,783,281

Yass Valley Aged Care Limited

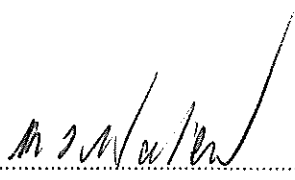
ABN: 32 150 316 895

Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the Company 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: 

YASS

Dated 25 October 2021

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: 

YASS

Dated 25 October 2021



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 2021, 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

Simon Byrne
Partner
Registered Company Auditor # 153624
25 October 2021



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS

Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMACUI
COOMA
JINDABYNE

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Kothes Chartered Accountants
ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited



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 2021, 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 2021 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 company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

The COVID-19 virus has disrupted the operations of the Company. This will affect the future financial results of the Company however by what amount is unknown as at the date of this report.



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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DIRECTORS

Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Philistin
Gary Skelton

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Kothes Chartered Accountants
ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited

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

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 responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, 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 responsible entities 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

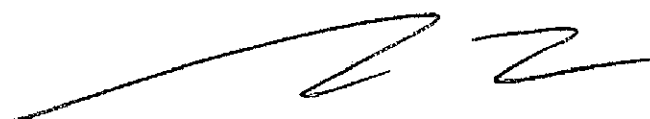
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 responsible entities.
- Conclude on the appropriateness of the responsible entities' 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



Simon Byrne
Partner
Registered Company Auditor # 153624
25 October 2021