

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Financial Statements

For the year ended 30 June 2023

Yass Valley Aged Care Limited

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For the year ended 30 June 2023

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Yass Valley Aged Care Limited

Directors' report

30 June 2023

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 2023.

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	
Nicola Barnes	Director	
Chris Copeland	Director	
Melina Waters	Director	
Fleur Flanery	Director	
Wendy Dashwood	Director	
Anthony Reeves	Director / Vice President	
Nyree Ashton	Director	
Paul Turner	Director	Resigned 14th October 2022

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. 2012-2020 - Director - Lawyerbank and Limber 2020-current
Special responsibilities	- Member of Personnel and Remuneration Committee & Future Directions Committee

Yass Valley Aged Care Limited

Directors' report

30 June 2023

Nicola Barnes	
Qualifications	<ul style="list-style-type: none">- Registered Nurse- Royal North Shore 1979-1981- AHPRA Registered Nurse- Authorised Nurse Immuniser
Experience	<ul style="list-style-type: none">- Health Liaison Officer for the Office of Emergency Management- Metro Hospital Based Nursing- A & E and Operating Theatres 1981-1994- Horton House & YDH – RN 1994-2000- Care Manager – Gwen Warmington Lodge 2000 2007- Yass District Hospital (YDH) – RN, NUM (5yrs), Health Services Manager (4yrs)- Emergency Operation Control (EOC) member 2019-2020- 2021 established 3 Covid-19 vaccination hubs for Yass, Murrumbateman & Charnwood- 2019-2021 YDH Re-development and Pandemic preparedness & management
Special responsibilities	<ul style="list-style-type: none">- Member of Personnel and Remuneration Committee
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Chris Copeland	
Qualifications	<ul style="list-style-type: none">- Dip Applied Science (Agriculture)- Dip Education
Experience	<ul style="list-style-type: none">- Secondary School Teacher (7yrs)- Animal Health Sales Rep (7yrs)- Director Landmark Copeland Medway (17yrs)- Motelier (10yrs)
Special responsibilities	<ul style="list-style-type: none">- Member of Future Directions Committee
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Melina Waters	
Qualifications	<ul style="list-style-type: none">- Bachelor of Commerce 1993- Certified Practising Accountant
Experience	<ul style="list-style-type: none">- 20 years' experience in public accounting practice
Special responsibilities	<ul style="list-style-type: none">- Convenor of Audit & Risk Committee
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Wendy Dashwood	
Qualifications	<ul style="list-style-type: none">- Diploma in Dental Hygiene- Certificate III in Aged Care
Experience	<ul style="list-style-type: none">- Business owner
Special responsibilities	<ul style="list-style-type: none">- Member of Personnel and Remuneration Committee
<hr/>	
Anthony Reeves	
Qualifications	<ul style="list-style-type: none">- LL.M
Experience	<ul style="list-style-type: none">- 27 yrs experience as a solicitor (1976-2003)
Special responsibilities	<ul style="list-style-type: none">- Convenor of Personnel and Remuneration Committee

Yass Valley Aged Care Limited

Directors' report

30 June 2023

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	- Former Senior Executive in the ACT Government with 20 years' experience in open space management, procurement, communication, logistics and HR. - Board experience at a community and state level - Held Statutory positions - Director of small business owner specialising in event management.
Special responsibilities	- Member of Audit and Risk Committee

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

Principal 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:

- Providing 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.
- To strive through excellence in care, to support and protect with dignity, respect and faith those who live and work here and all with whom we come in contact.

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 e.g. proposal to conduct a feasibility study to build retirement village units on Corona Grove to provide another source of income and complement the company's residential and home care operations.
- 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 surplus of the Company for the year ending 30 June 2023 amounted to \$283,670 (2022: \$584,882 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 2023 the collective liability of members (92) was \$184 (2022: \$188).

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.

Yass Valley Aged Care Limited

Directors' report

30 June 2023

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 are 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:

Director's name	Directors' Meetings	
	Number eligible to attend	Number attended
Michael Walker	11	11
Nyree Ashton	11	9
Hugh McDonald	11	9
Nicola Barnes	11	8
Chris Copeland	11	11
Melina Waters	11	8
Fleur Flanery	11	8
Wendy Dashwood	11	9
Anthony Reeves	11	11
Paul Turner	4	3

Signed in accordance with a resolution of the Board of directors.

Director

Dated:

Yass Valley Aged Care Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	5	7,845,192	6,471,385
Finance income	6	262,266	76,547
Finance expenses	6	(12,198)	(86,895)
Depreciation and amortisation		(485,659)	(499,930)
Accounting, audit and professional fees		(44,510)	(23,162)
Advertising		(4,551)	(4,232)
Bad debts expenses		(11,704)	(873)
Bank fees		(271)	(287)
Cleaning expenses		(84,908)	(75,287)
Consultancy		(86,956)	(33,898)
COVID-19 PPE expenses		(92,992)	(122,346)
Employee provisions		(150,918)	(54,708)
Insurance		(67,269)	(59,851)
Insurance - workers compensation		(204,742)	(230,185)
Other expenses		(22,837)	(19,023)
Kitchen and laundry supplies		(28,468)	(27,613)
Motor vehicle expenses		(21,374)	(17,047)
Other employee and agency expenses		(605,886)	(409,801)
Printing, postage and stationery		(18,612)	(14,907)
Rental property expenses		(4,847)	(5,968)
Repairs and maintenance		(257,702)	(157,351)
Residents expenses		(594,996)	(643,153)
Subscriptions and licences		(88,703)	(43,114)
Subsidies expenses		(31,101)	(35,645)
Superannuation contributions		(466,664)	(409,995)
Telecommunications		(7,545)	(8,446)
Utilities		(146,059)	(151,230)
Wages		(4,282,316)	(3,997,867)
Surplus / (Deficit) before income tax		283,670	(584,882)
Income tax expense	3.a	-	-
Surplus / (Deficit) for the year		283,670	(584,882)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		283,670	(584,882)

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

Statement of financial position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	2,520,449	4,746,629
Trade and other receivables	8	238,193	194,438
Financial assets - investments	9.a	2,401,635	2,281,116
Financial assets - term deposits	9.b	4,183,779	1,183,779
Prepayments		77,099	75,167
Total current assets		9,421,155	8,481,129
Non-current assets			
Property, plant and equipment	10	10,186,138	10,466,822
Investment properties	11	922,681	934,138
Total non-current assets		11,108,819	11,400,960
Total assets		20,529,974	19,882,089
Liabilities			
Current liabilities			
Trade and other payables	12	10,358,124	10,448,907
Employee benefits	13	977,416	826,498
Funding in advance		304,080	-
Total current liabilities		11,639,620	11,275,405
Total liabilities		11,639,620	11,275,405
Net assets		8,890,354	8,606,684
Equity			
Reserves		120,494	120,494
Retained earnings		8,769,860	8,486,190
Total equity		8,890,354	8,606,684

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

Statement of changes in equity For the year ended 30 June 2023

2022	Retained earnings \$	Revaluation surplus \$	Total equity \$
Opening balance	9,071,072	120,494	9,191,566
Result for the year	(584,882)	-	(584,882)
Closing balance	8,486,190	120,494	8,606,684

2023	Retained earnings \$	Revaluation surplus \$	Total equity \$
Opening balance	8,486,190	120,494	8,606,684
Result for the year	283,670	-	283,670
Closing balance	8,769,860	120,494	8,890,354

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

Statement of cash flows

For the year ended 30 June 2023

	2023	2022
	\$	\$
Cash flows from operating activities:		
Receipts from residents, government and others	8,315,795	6,544,261
Payments to suppliers and employees	(7,301,292)	(6,674,868)
Interest received	92,086	3,569
Net cash flows from/(used in) operating activities	1,106,589	(127,038)
Cash flows from investing activities:		
Purchase of financial asset - term deposits	(3,000,000)	-
Purchase of financial asset - investment account	-	(300,000)
Purchase of property, plant and equipment	(193,517)	(97,326)
Net cash provided by/(used in) investing activities	(3,193,517)	(397,326)
Cash flows from financing activities:		
Proceeds from bonds and deposits	4,816,396	3,176,606
Repayments of bonds and deposits	(4,955,648)	(2,109,169)
Net cash provided by/(used in) financing activities	(139,252)	1,067,437
Net increase/(decrease) in cash and cash equivalents	(2,226,180)	543,073
Cash and cash equivalents at beginning of year	4,746,629	4,203,556
Cash and cash equivalents at end of financial year	2,520,449	4,746,629

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

1. Introduction

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 2028. 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.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

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

The Company has adopted AASB 1060 General Purpose Financial Statements - Simplified Disclosure for the first time in these statements. Previously the Company prepared statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The change has no impact on the recognition and measurement of amounts in the financial statements. Some disclosures have been added or amended in line with the requirements of AASB 1060.

3. 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*.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

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.

i. Land and buildings

Land is measured using the fair value model and buildings are measured using the cost model.

ii. Plant and equipment

Plant and equipment are measured using the cost model.

iii. 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
Land	Nil
Buildings	2.5% to 4 %
Plant, equipment, furniture and fittings	4% - 100%
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.

c. Investment properties

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. Investment property buildings are depreciated in accordance with the policy set out for property, plant and equipment. Investment property land is measured using the fair value model (previous year at cost).

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

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).

i. 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

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 managed fund investment account.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

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 asset has increased significantly 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). 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.

Trade receivables and contract assets

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.

ii. 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 trade payables, bank and other loans and lease liabilities.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

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.

g. Revenue

i. 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.

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.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

ii. 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.

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.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

j. Net current deficit

At 30 June 2023, the company was in a net current liability position of \$2,218,465 (2022 - \$2,794,276). Notwithstanding this, management have prepared the accounts on a going concern basis on the basis of the following:

- The company has \$9,860,623 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 \$486,915, a significant portion of which is not expected to be called upon in the next 12 months.

4. Critical accounting estimates and judgements

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.

5. Revenue and other income

a. Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers		
Government subsidies and payments	4,866,916	3,753,077
Resident and client contributions	1,924,807	2,082,399
Rental revenue	44,711	45,971
Grant income	615,503	196,942
Other income	6,188	20,592
	7,458,125	6,098,981
Revenue from other sources		
Donations	387,067	372,404
Total Revenue	7,845,192	6,471,385

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

6. Finance income and expenses

Finance income	2023	2022
	\$	\$
Interest income		
Bank deposits	92,086	3,569
Investment income		
Dividend income	136,219	72,978
Net gain on financial assets at FVTPL	33,961	-
Total finance income	262,266	76,547
Finance expenses		
Net loss on financial assets at FVTPL	-	75,699
Other finance expenses	12,198	11,196
	12,198	86,895

7. Cash and cash equivalents

a. Cash and cash equivalent details

	2023	2022
	\$	\$
Cash at bank and on hand	2,520,449	4,746,629

b. Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	2,520,449	4,746,629
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Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

8. Trade and other receivables

Current	2023	2022
	\$	\$
Trade and other receivables	35,363	11,530
Sundry debtors	202,830	182,908
Total current trade and other receivables	238,193	194,438

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

a. Financial assets at fair value through profit or loss

CURRENT	2023	2022
	\$	\$
Managed investment account	2,401,635	2,281,116
Opening balance	2,281,116	2,015,696
Purchase of SMA	-	300,000
Interest received	-	90
Dividends received	136,219	72,978
Less dividend franking credit refund to come from ATO	(37,462)	(20,753)
Investment fees	(12,198)	(11,196)
Revaluation (decrease) / increase	(33,961)	75,699
Balance at end of year	2,401,635	2,281,116

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.

b. Held-to-maturity investments

CURRENT	2023	2022
	\$	\$
Term deposits (maturities of 6 to 12 months)	4,183,779	1,183,779

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

10. Property, plant and equipment

a. Property, plant and equipment details

Summary	2023 \$	2022 \$
Freehold land		
At fair value	470,000	470,000
Total Land	470,000	470,000
Buildings		
At cost	14,002,508	14,002,508
Accumulated depreciation	(4,871,201)	(4,521,070)
Total Buildings	9,131,307	9,481,438
Plant and equipment		
At cost	3,245,859	3,052,342
Accumulated depreciation	(2,752,691)	(2,635,461)
Total Plant and equipment	493,168	416,881
Artworks		
At cost	32,243	32,243
Accumulated depreciation	(6,768)	(6,451)
Total Artworks	25,475	25,792
Motor vehicles		
At cost	180,718	180,718
Accumulated depreciation	(114,530)	(108,007)
Total Motor vehicles	66,188	72,711
Total property, plant and equipment	10,186,138	10,466,822

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:

2023	Land \$	Buildings \$	Plant and equipment \$	Artworks \$	Motor vehicles \$	Total \$
Opening balance	470,000	9,481,438	416,881	25,792	72,711	10,466,822
Additions	-	-	193,517	-	-	193,517
Depreciation	-	(350,131)	(117,230)	(317)	(6,523)	(474,201)
Closing balance	470,000	9,131,307	493,168	25,475	66,188	10,186,138

b. Land

Land is accounted for at fair value. The fair value was based on an independent valuation at market value by a registered valuer on the 5 August 2021.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

11. Investment properties

a. Investment property details

Description	2023 \$	2022 \$
At cost		
Owned Property - Land		
Opening balance	656,291	656,291
Owned Property - Buildings		
Buildings	419,273	419,273
Accumulated depreciation		
Opening accumulated depreciation	(141,426)	(129,969)
Depreciation	(11,457)	(11,457)
Closing accumulated depreciation	(152,883)	(141,426)
Balance at end of the period	266,390	277,847
Total Investment Properties	922,681	934,138

12. Trade and other payables

Current	2023 \$	2022 \$
Creditors and accruals	497,501	449,032
Accommodation bonds	300,140	556,690
Refundable accommodation deposits and contributions	9,560,483	9,443,185
Total trade and other payables	10,358,124	10,448,907

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

Notes to the financial statements

For the year ended 30 June 2023

13. Employee benefits

a. Employee benefit details

Current	2023	2022
	\$	\$
Long service leave	486,915	342,048
Annual leave	490,501	484,450
	977,416	826,498

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 registered with the *Australian Charities and Not-for-profits Commission Act 2012* 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 outstanding obligations of the Company. At 30 June 2023 the number of members was 92 (2022: 94).

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 \$425,311 (2022: \$381,928).

16. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 2023 (2022: None).

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

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. Operating Segments

Segment information

a. 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.

b. Business and Geographic Segments

i. 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.

ii. Geographic Segments

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

c. 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.

Yass Valley Aged Care Limited

Notes to the financial statements

For the year ended 30 June 2023

d. Segment performance

	Residential Aged Care		Other		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Revenue						
Government subsidies and grants	5,124,506	3,526,260	451,742	423,759	5,576,248	3,950,019
Resident and client contributions	1,805,802	2,036,724	25,175	45,675	1,830,977	2,082,399
Donations	387,067	372,404	-	-	387,067	372,404
Finance income	262,266	76,547	-	-	262,266	76,547
Rental income	44,711	45,971	-	-	44,711	45,971
Other income	6,189	20,592	-	-	6,189	20,592
Total segment revenue	7,630,541	6,078,498	476,917	469,434	8,107,458	6,547,932
Employee expenses	5,390,482	4,812,582	320,042	289,974	5,710,524	5,102,556
Care related expenses	794,616	708,999	130,783	119,758	925,399	828,757
Depreciation	482,634	497,668	3,024	2,262	485,658	499,930
Other expenses	684,157	689,852	18,050	11,719	702,207	701,571
Total segment expenses	7,351,889	6,709,101	471,899	423,713	7,823,788	7,132,814
Segment operating result	278,652	(630,603)	5,018	45,721	283,670	(584,882)

e. Segment assets and liabilities

Segment assets	20,485,752	19,562,145	44,222	319,944	20,529,974	19,882,089
Segment liabilities	(11,611,568)	(11,132,893)	(28,052)	(142,512)	(11,639,620)	(11,275,405)
Net assets	8,874,184	8,429,252	16,170	177,432	8,890,354	8,606,684

Yass Valley Aged Care Limited

Directors' declaration

The directors declare that in their 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 and the Charitable Fundraising Act 1991; and
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the the Company from all fundraising appeals;
- the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals.

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

Director

Dated:



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 2023, 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
9 October 2023



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS

Simon Byrne
Fiona Dunham
Ben Marshman
Gary Pearce
Kevin Philistin
Gary Skelton

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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 accompanying financial report, being a simplified disclosure financial report of Yass Valley Aged Care Limited (the Company), which comprises the statement of financial position as at 30 June 2023, 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 the Company 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures 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.

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 - Simplified Disclosures 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

KOTHES
Chartered Accountants



Simon Byrne
Partner
Registered Company Auditor # 153624
9 October 2023