

# **Tenterfield Care Centre Limited**

**ABN 28 136 819 059**

## **Financial Statements**

**For the Year Ended 30 June 2019**

# Tenterfield Care Centre Limited

ABN 28 136 819 059

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For the Year Ended 30 June 2019

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# Tenterfield Care Centre Limited

ABN 28 136 819 059

## Directors' Report For the Year Ended 30 June 2019

The directors present their report on Tenterfield Care Centre Limited ("the Company") for the financial year ended 30 June 2019.

### 1. Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Gregory Sauer

Experience	Deputy Mayor
Special responsibilities	Chairman

Rhonda Rovera

Experience	Business Proprietor
Special responsibilities	Vice Chairman

Alan Donges

Experience	Chartered Accountant
Special responsibilities	Treasurer

Robert South

Experience	Grazier
Special responsibilities	Director - Retired 26 November 2018

Beth Moore

Experience	Grazier
Special responsibilities	Secretary - Resigned 19 March 2019 Director (current)

Carol Schiffmann

Experience	Retired Business Proprietor
Special responsibilities	Director

Maxwell Whitford

Experience	Retired Businessman
Special responsibilities	Secretary - Appointed 19 March 2019

Sylvia Grigg

Experience	Retired Accountant
Special responsibilities	Director - Appointed 18 September 2018

Col Mann

Experience	Engineer
Special responsibilities	Chairman to 20 March 2018 Director - Resigned 17 July 2018

Brian Brown

Experience	Project Manager
Special responsibilities	Director - Resigned 17 July 2018

## **Directors' Report**

### **For the Year Ended 30 June 2019**

#### **1. Information on directors (continued)**

Jane Hynes

Experience

General Manager

Special responsibilities

Director - Appointed 16 April 2019

John Wall

Experience

Contracts Manager - Construction Industry

Special responsibilities

Director - Appointed 16 July 2019

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

#### **2. Principal activities**

The principal activity of the Company during the financial year was to operate community owned, not-for-profit aged care facilities.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### **3. Short-term and long-term objectives and strategies**

The Company's short-term and long-term objectives and strategies are to:

- Manage and administer aged care accommodation for citizens of Tenterfield and district.
- Establish appropriate residential care for aged persons.
- Raise funds for the maintenance and continuing development of the facilities.
- Provide sustenance, maintenance, entertainment and general benefits for the residents.
- Maintain, renew, manage and control all property owned by Tenterfield Care Centre Limited.
- Meet the demand for aged care.
- Take all such actions as may from time to time be found desirable and expedient in the fulfilment of all aims and objectives.

#### **4. Operating results**

The profit of the Company for the financial year was \$31,514 (2018: profit of \$166,592).

#### **5. Members guarantee**

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

At 30 June 2019, the number of members was 25 (2018: 25) and the collective liability of members was \$50 (2018: \$50).

## Tenterfield Care Centre Limited

ABN 28 136 819 059

# Directors' Report

## For the Year Ended 30 June 2019

### 6. Events after the reporting date

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

### 7. Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### 8. Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

### 9. 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
Gregory Sauer	11	10
Rhonda Rovera	11	10
Alan Donges	11	9
Robert South	5	4
Beth Moore	11	9
Carol Schiffmann	11	7
Maxwell Whitford	11	11
Sylvia Grigg	9	8
Col Mann	-	-
Brian Brown	-	-
Jane Hynes	3	1
John Wall	-	-

### 10. Indemnification and insurance of officers and auditors

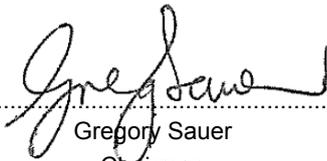
The Company has paid premiums to insure each of the directors and executive officers within the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director and executive officers of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$2,144 (excluding GST) (2018: \$2,123).

**Directors' Report**  
**For the Year Ended 30 June 2019**

**11. Auditor's independence declaration**

The auditor's independence declaration is set out on page 5 of the financial report.

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

Director: .....  
  
Gregory Sauer  
Chairman

Director: .....  
  
Alan Donges  
Treasurer

Dated this 25th day of October 2019



**AUDITOR'S INDEPENDENCE DECLARATION**

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Tenterfield Care Centre Limited for the year ended 30 June 2019.

Dated at Tenterfield this 25<sup>th</sup> day of October 2019.

**THOMAS NOBLE & RUSSELL  
CHARTERED ACCOUNTANTS**

**Per:**

  
.....  
G W DWYER (Partner)  
Registered Company Auditor

**Tenterfield Care Centre Limited**

ABN 28 136 819 059

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	5	<b>7,213,639</b>	6,708,106
Operating expenses		<b>(536,648)</b>	(503,075)
Employee benefits expense		<b>(5,603,604)</b>	(5,165,935)
Depreciation expense		<b>(296,953)</b>	(287,857)
Occupancy expenses		<b>(154,620)</b>	(158,908)
Other expenses	6	<b>(590,300)</b>	(425,739)
<b>Net profit/(loss) for the year</b>		<b>31,514</b>	166,592
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Total comprehensive income for the year</b>		<b>31,514</b>	166,592

The accompanying notes form part of these financial statements.

**Tenterfield Care Centre Limited**

ABN 28 136 819 059

**Statement of Financial Position**

As At 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	985,908	529,154
Trade and other receivables	8	289,211	285,726
Inventories	9	44,450	50,290
Other financial assets	10	9,787,900	9,001,938
Other assets	11	15,964	26,444
<b>TOTAL CURRENT ASSETS</b>		<b>11,123,433</b>	<b>9,893,552</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	5,041,816	4,821,696
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,041,816</b>	<b>4,821,696</b>
<b>TOTAL ASSETS</b>		<b>16,165,249</b>	<b>14,715,248</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	481,959	301,889
Employee benefits	14	880,322	841,158
Other liabilities	15	6,731,964	5,531,616
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,094,245</b>	<b>6,674,663</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	14	132,390	133,485
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>132,390</b>	<b>133,485</b>
<b>TOTAL LIABILITIES</b>		<b>8,226,635</b>	<b>6,808,148</b>
<b>NET ASSETS</b>		<b>7,938,614</b>	<b>7,907,100</b>
<b>EQUITY</b>			
Retained earnings		7,938,614	7,907,100
<b>TOTAL EQUITY</b>		<b>7,938,614</b>	<b>7,907,100</b>

The accompanying notes form part of these financial statements.

**Tenterfield Care Centre Limited**

ABN 28 136 819 059

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2019**

**2019**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	<b>7,907,100</b>	<b>7,907,100</b>
Net profit/(loss) for the year	<b>31,514</b>	<b>31,514</b>
<b>Balance at 30 June 2019</b>	<b>7,938,614</b>	<b>7,938,614</b>

**2018**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	7,740,508	7,740,508
Net profit/(loss) for the year	166,592	166,592
<b>Balance at 30 June 2018</b>	<b>7,907,100</b>	<b>7,907,100</b>

The accompanying notes form part of these financial statements.

**Tenterfield Care Centre Limited**

ABN 28 136 819 059

**Statement of Cash Flows**  
**For the Year Ended 30 June 2019**

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Proceeds from government subsidies and customers	6,825,898	6,445,351
Payments to suppliers and employees	(6,814,490)	(6,085,770)
Interest received	289,503	203,708
<b>Net cash provided by operating activities</b>	<b>300,911</b>	<b>563,289</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	644	134
Purchase of property, plant and equipment	(363,858)	(257,375)
Transfers to term deposits	(785,962)	(198,614)
<b>Net cash used in investing activities</b>	<b>(1,149,176)</b>	<b>(455,855)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from/(refunds of) accommodation bonds and refundable deposits	1,305,019	(706,558)
<b>Net cash provided by/(used in) financing activities</b>	<b>1,305,019</b>	<b>(706,558)</b>
Net increase/(decrease) in cash and cash equivalents held	456,754	(599,124)
Cash and cash equivalents at beginning of year	529,154	1,128,278
<b>Cash and cash equivalents at end of financial year</b>	<b>985,908</b>	<b>529,154</b>
7(a)		

The accompanying notes form part of these financial statements.

## Tenterfield Care Centre Limited

ABN 28 136 819 059

# Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Tenterfield Care Centre Limited ("the Company") as an individual entity. Tenterfield Care Centre Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Tenterfield Care Centre Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 25 October 2019.

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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

## 2 Change in Accounting Policy

### Financial Instruments - Adoption of AASB 9

The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets.

A debt investment shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition, in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

There has been no impact on the financial performance and position of the Company from the adoption of AASB 9 *Financial Instruments*.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies**

#### **(a) Income Tax**

The Company is a public benevolent institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### **(b) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

#### **(c) Revenue and other income**

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

##### **Aged care facility revenue**

Aged care facility revenue comprises daily resident contributions and Government funding, which are both determined in accordance with Government authorised rates.

##### **Grant revenue**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

##### **Rendering of services and supply of goods**

Revenue from the rendering of a service or supply of a good is recognised upon the delivery of the service or good to the resident.

##### **Retention fees and Refundable Accommodation Deposits**

The Company has been entitled to charge retention fees to residents in respect of accommodation bonds held. These retentions get deducted from a resident's accommodation bond. These fees are regulated by the Government and accrued by the Company during the resident's period of occupancy.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies (continued)**

#### **(c) Revenue and other income (continued)**

##### **Retention fees and Refundable Accommodation Deposits (continued)**

Residents who moved in, on or after 1 July 2014, under new legislative requirements, no longer have retention fees, but pay a standard bond price called a Refundable Accommodation Deposit (RAD) and if necessary a Daily Accommodation Contribution (DAC).

##### **Donations**

Donations and bequests are recognised as revenue when received.

##### **Interest revenue**

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

For residents moving in (pre 1 July 2014 only), periodic interest income relates to income earned on the amount of "Lump Sum Equivalent", where a resident does not pay a lump sum accommodation bond.

For residents moving in, on or after 1 July 2014, payment of a daily accommodation payment (DAP) replaces the penalty interest and period interest components and works the same as these old components.

#### **(d) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

#### **(e) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies (continued)**

#### **(f) Financial instruments**

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or the sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

##### **Classification and subsequent measurement**

###### ***Financial liabilities***

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

###### ***Financial assets***

Financial assets are subsequently measured at amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies (continued)**

#### **(f) Financial instruments (continued)**

##### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### ***Derecognition of financial liabilities***

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### ***Derecognition of financial assets***

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### **Impairment**

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the simplified approach to impairment, as applicable under AASB 9 *Financial Instruments*.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables which do not contain a significant financing component.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies (continued)**

#### **(f) Financial instruments (continued)**

##### **Impairment (continued)**

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

#### **(g) Property, Plant and Equipment**

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

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### **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.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5%
Plant and Equipment	5% - 40%
Infrastructure assets	2.5%

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.

#### **(h) Impairment of non-financial assets**

At the end of each reporting period, the Company determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies (continued)**

#### **(h) Impairment of non-financial assets (continued)**

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and where the Company, if deprived of the asset, replaces its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### **(i) 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.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119. Non current provision for long service leave includes amounts for entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

#### **(j) Bed Licences**

The Company holds 82 bed licence entitlements acquired for NIL consideration to operate aged care facilities based on an allocation of aged care places. The current accounting policy is not to recognise these entitlements, as the directors consider it uncertain as to whether there is an "active market", given the regulation attached with the transferring of any licences.

#### **(k) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 1 July 2018. The adoption of these standards has had no impact on the reporting financial position, performance or cash flow of the Company. Refer to Note 2 for details on changes in accounting policies due to the adoption of AASB 9.

### **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.

The directors have not made any significant accounting estimates or judgements which are likely to affect the future results of the Company.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

## 5 Revenue

	2019	2018
	\$	\$
<b>Operating activities</b>		
- Government funding	4,192,334	4,185,134
- Client and resident fees	1,993,636	1,925,120
- Accommodation charges	45,326	88,211
- Accommodation bond retentions	4,634	7,944
- Rental income	87,062	85,084
<b>Total operating activities</b>	<b>6,322,992</b>	<b>6,291,493</b>
<b>Non-operating activities</b>		
- Government grants	371,250	-
- Interest revenue	243,405	228,758
- Fundraising	68,053	84,469
- Other revenue	207,939	103,386
<b>Total non-operating activities</b>	<b>890,647</b>	<b>416,613</b>
<b>Total revenue</b>	<b>7,213,639</b>	<b>6,708,106</b>

## 6 Expenses

<b>Other expenses</b>		
Technology and communication	41,363	38,544
Printing and postage	11,760	13,108
Accounting and audit fees	21,901	23,724
Licences	35,685	26,378
Lease expenses	3,823	3,495
Legal fees	2,554	-
Diesel	109,796	89,115
Insurance	61,859	39,096
Repairs and maintenance	74,208	78,671
Contract wages/consultancy	105,545	31,583
Loss on disposal of assets	-	57
Other expenses	121,806	81,968
<b>Total other expenses</b>	<b>590,300</b>	<b>425,739</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

## 7 Cash and cash equivalents

	2019	2018
Note	\$	\$
Cash on hand	2,491	2,062
Cash at bank	58,252	59,064
Online cash management account	925,165	468,028
<b>Total cash and cash equivalents</b>	<b>985,908</b>	<b>529,154</b>

## (a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	7	985,908	529,154
<b>Balance as per statement of cash flows</b>		<b>985,908</b>	<b>529,154</b>

## (b) Restricted cash and investments

## Cash and investments include:

Cash and cash equivalents	7	985,908	529,154
Other financial assets	10	9,787,900	9,001,938
<b>Total cash and investments</b>		<b>10,773,808</b>	<b>9,531,092</b>

## Amounts restricted in liabilities:

Accommodation bonds/refundable accommodation deposits (i)	15	6,666,946	5,361,927
Monies held on residents behalf (ii)	15	7,024	10,246
Unearned government subsidy (iii)	15	8,765	97,279
<b>Total amounts restricted in liabilities</b>		<b>6,682,735</b>	<b>5,469,452</b>

- (i) Relates to deposits paid by residents which are repayable upon departure of the resident. These deposits are not to be used for operational purposes.
- (ii) Relates to resident funds which are managed by the Company, but are given back to the resident upon request, or used to pay for goods and services on the residents' behalf.
- (iii) Relates to grant funds received where funds are not yet expended. The funding agencies reserve the right to recoup these funds.

## 8 Trade and other receivables

## CURRENT

Resident receivables	113,533	32,598
Resident bonds receivable	75,790	144,300
GST receivable	25,220	15,302
Government subsidy receivable	27,240	-
Accrued interest receivable	47,428	93,526
<b>Total current trade and other receivables</b>	<b>289,211</b>	<b>285,726</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

<b>9 Inventories</b>		
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
At cost:		
Diesel on hand	44,450	50,290
<b>Total current inventories</b>	<b>44,450</b>	<b>50,290</b>
<b>10 Other financial assets</b>		
CURRENT		
<i>Financial assets at amortised cost:</i>		
- Term deposits	9,787,900	9,001,938
<b>Total current other financial assets</b>	<b>9,787,900</b>	<b>9,001,938</b>
<b>11 Other assets</b>		
CURRENT		
Prepayments	15,964	26,444
<b>Total current other assets</b>	<b>15,964</b>	<b>26,444</b>
<b>12 Property, plant and equipment</b>		
<b>Freehold land</b>		
At cost	113,000	113,000
<b>Total freehold land</b>	<b>113,000</b>	<b>113,000</b>
<b>Buildings</b>		
At cost	7,344,710	7,199,782
Accumulated depreciation	(3,064,754)	(2,879,961)
<b>Total buildings</b>	<b>4,279,956</b>	<b>4,319,821</b>
<b>Plant and equipment</b>		
At cost	1,725,181	1,621,150
Accumulated depreciation	(1,389,271)	(1,334,607)
<b>Total plant and equipment</b>	<b>335,910</b>	<b>286,543</b>
<b>Infrastructure assets</b>		
At cost	112,228	112,228
Accumulated depreciation	(53,536)	(50,736)
<b>Total infrastructure assets</b>	<b>58,692</b>	<b>61,492</b>
<b>Work in progress</b>		
At cost	254,258	40,840
<b>Total Work in progress</b>	<b>254,258</b>	<b>40,840</b>
<b>Total property, plant and equipment</b>	<b>5,041,816</b>	<b>4,821,696</b>

## Tenterfield Care Centre Limited

ABN 28 136 819 059

### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 12 Property, plant and equipment (continued)

##### 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 and Equipment	Infrastructure Assets	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>						
Balance at the beginning of year	113,000	4,319,821	286,543	61,492	40,840	4,821,696
Additions	-	72,731	157,432	-	287,554	517,717
Disposals - written down value	-	-	(644)	-	-	(644)
Transfers	-	72,197	1,939	-	(74,136)	-
Depreciation expense	-	(184,793)	(109,360)	(2,800)	-	(296,953)
<b>Balance at the end of the year</b>	<b>113,000</b>	<b>4,279,956</b>	<b>335,910</b>	<b>58,692</b>	<b>254,258</b>	<b>5,041,816</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

## 13 Trade and other payables

	Note	2019 \$	2018 \$
CURRENT			
Trade payables		246,693	139,543
Sundry payables and accrued expenses		235,266	162,346
<b>Total current trade and other payables</b>		<b>481,959</b>	<b>301,889</b>

## 14 Employee Benefits

CURRENT			
Long service leave		316,435	285,215
Annual leave		563,887	555,943
<b>Total current employee benefits</b>		<b>880,322</b>	<b>841,158</b>
NON-CURRENT			
Long service leave		132,390	133,485
<b>Total non-current employee benefits</b>		<b>132,390</b>	<b>133,485</b>

## 15 Other liabilities

CURRENT			
Unearned government subsidy		8,765	97,279
Accommodation bonds/refundable accommodation deposits	15(a)	6,666,946	5,361,927
Monies held on residents behalf		7,024	10,246
Resident fees in advance		48,689	61,887
Other liabilities		540	277
<b>Total current other liabilities</b>		<b>6,731,964</b>	<b>5,531,616</b>

## (a) Accommodation bonds/refundable accommodation deposits

- Expected to be paid within 12 months		1,551,216	1,443,538
- Not expected to be paid within 12 months		5,115,730	3,918,389
<b>Total accommodation bonds/refundable accommodation deposits</b>		<b>6,666,946</b>	<b>5,361,927</b>

Accommodation bonds/refundable accommodation deposits are deposits paid by residents which are repayable upon departure of the resident.

Although there is no legal entitlement for the Company to defer repayment of accommodation bonds/refundable accommodation deposits for greater than 12 months, the Company, from experience, considers the above split between 'within 12 months'/'greater than 12 months' to be representative of its actual expected cash outflows.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 16 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and accommodation bonds/refundable accommodation deposits.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
<i>Financial assets at amortised cost:</i>			
- Cash and cash equivalents	7	985,908	529,154
- Trade and other receivables	8	289,211	285,726
- Term deposits	10	9,787,900	9,001,938
<b>Total financial assets</b>		<b>11,063,019</b>	<b>9,816,818</b>
<b>Financial Liabilities</b>			
<i>Financial liabilities at amortised cost:</i>			
- Trade and other payables	13	481,959	301,889
- Other liabilities	15	6,731,964	5,531,616
<b>Total financial liabilities</b>		<b>7,213,923</b>	<b>5,833,505</b>

### 17 Capital and Leasing Commitments

#### Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	4,205	4,205
- between one year and five years	5,257	9,462
<b>Total minimum lease payments (including GST)</b>	<b>9,462</b>	<b>13,667</b>

The photocopier rental lease was entered into in October 2017 for 4 years and requires monthly rent payments.

### 18 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$343,187 (2018: \$293,528).

Directors do not receive remuneration.

#### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 19: Related Party Transactions.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 19 Related Parties

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

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel (KMP).

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties:

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

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2019 \$	2018 \$
<b>Other related parties</b>		
Supply of materials from close family member of Director	102,524	104,629
Trade services provided by close family member of General Manager	80,480	10,035

(c) Outstanding balances

At the end of the reporting period, Tenterfield Care Centre Limited had an outstanding balance owing to related parties of \$92,273 (2018: \$14,080). There were no other commitments in relation to transactions with other related parties.

### 20 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 2019, the number of members was 25 (2018: 25) and the collective liability of members was \$50 (2018: \$50).

### 21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 22 Segment Reporting

Segment information has been prepared in accordance with the requirements of the Department of Health Conditional Adjustment Payment (CAP) funding agreement, which requires that Residential Aged Care is disclosed as if it were a segment under AASB 8 Operating Segments.

For the purpose of CAP Funding, Residential Aged Care is a distinguishable component of the Company whereby the Company is engaged in providing services which are subject to risks and rewards different to those of its other business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Company is comprised of the following business segments:

- Residential Aged Care: The provision of aged care in both high care and low care environments.
- Self-care: The provision of individual living units and services.

#### Segment Performance

	Residential Aged Care		Self-Care		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Segment revenue (excluding interest)	6,879,427	6,390,766	90,806	88,582	6,970,233	6,479,348
Interest	243,405	228,758	-	-	243,405	228,758
<b>Total segment revenue</b>	<b>7,122,832</b>	<b>6,619,524</b>	<b>90,806</b>	<b>88,582</b>	<b>7,213,638</b>	<b>6,708,106</b>
<b>Expenses</b>						
Segment expenses (excluding depreciation)	6,876,066	6,245,625	9,105	8,032	6,885,171	6,253,657
Depreciation	272,637	265,490	24,316	22,367	296,953	287,857
<b>Total segment expenses</b>	<b>7,148,703</b>	<b>6,511,115</b>	<b>33,421</b>	<b>30,399</b>	<b>7,182,124</b>	<b>6,541,514</b>
<b>Segment results</b>	<b>(25,871)</b>	<b>108,409</b>	<b>57,385</b>	<b>58,183</b>	<b>31,514</b>	<b>166,592</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

## 22 Segment Reporting (continued)

## Segment Assets

	Residential Aged Care		Self-Care		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Segment assets (excluding capital expenditure for the year)	15,175,473	13,976,924	472,057	480,950	15,647,530	14,457,874
Capital expenditure for the year	501,868	241,951	15,851	15,423	517,719	257,374
<b>Total segment assets</b>	<b>15,677,341</b>	<b>14,218,875</b>	<b>487,908</b>	<b>496,373</b>	<b>16,165,249</b>	<b>14,715,248</b>

## Segment Liabilities

	Residential Aged Care		Self-Care		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Total segment liabilities</b>	<b>8,223,862</b>	<b>6,805,116</b>	<b>2,773</b>	<b>3,032</b>	<b>8,226,635</b>	<b>6,808,148</b>

## 23 Prescribed information as required by the Charitable Fundraising Act (NSW) 1991

	2019	2018
	\$	\$
<b>Revenue from fundraising activities</b>		
Fundraising	41,705	4,225
Donations	26,347	80,245
<b>Total revenue from fundraising activities</b>	<b>68,052</b>	<b>84,470</b>
Less: Total cost of fundraising	(10,339)	(100)
<b>Net surplus of fundraising activities</b>	<b>57,713</b>	<b>84,370</b>

## Gross comparisons

	2019	2018
	%	%
Total cost of fundraising/Gross proceeds from fundraising	15.19	0.12
Net surplus from fundraising/Gross proceeds from fundraising	84.81	99.88

## 24 Events Occurring After the Reporting Date

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

## **Tenterfield Care Centre Limited**

ABN 28 136 819 059

# **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **25 Company Details**

The registered office and principal place of business of the Company is:

Tenterfield Care Centre Limited

126 Duncan Street

Tenterfield NSW 2372

**Tenterfield Care Centre Limited**

ABN 28 136 819 059

**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements, and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
  - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....   
Gregory Sauer  
Chairman

Director .....   
Alan Donges  
Treasurer

Dated this 25th day of October 2019

**Tenterfield Care Centre Limited**

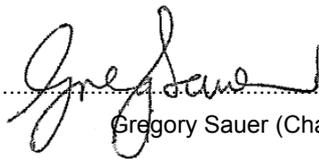
ABN 28 136 819 059

**Declaration by Director in Respect of Fundraising Appeals**

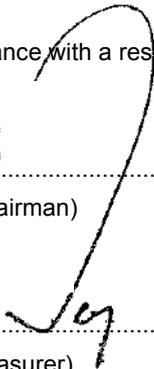
We, Gregory Sauer and Alan Donges, Directors of Tenterfield Care Centre Limited, declare that, in our opinion:

- (a) The financial statements give a true and fair view of all income and expenditure of Tenterfield Care Centre Limited with respect to fundraising appeals for the financial year ended 30 June 2019;
- (b) The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) The provisions of the *Charitable Fundraising Act 1991* ("the Act") and the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) The internal controls exercised by Tenterfield Care Centre Limited are appropriate and effective in accounting for all income received.

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



.....  
Gregory Sauer (Chairman)



.....  
Alan Donges (Treasurer)

Dated this 25th day of October 2019

**Independent Auditor's Report  
To the Members of Tenterfield Care Centre Limited**

**Opinion**

We have audited the financial report of Tenterfield Care Centre Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, 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 declaration by Directors.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the directors report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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



## **Responsibilities of Management and Directors for the Financial Report**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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, management is 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 management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors 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 this 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 management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

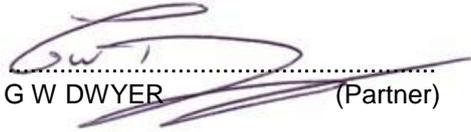
We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

**THOMAS NOBLE & RUSSELL  
CHARTERED ACCOUNTANTS**

Per:

  
G W DWYER (Partner)

Dated at Tenterfield this 25th day of October 2019