

Financial Statements

The Deniliquin Nursing Home Foundation Ltd

ABN 82 853 483 224

For the year ended 30 June 2020

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Directors' Report

The Deniliquin Nursing Home Foundation Ltd For the year ended 30 June 2020

The Directors present their report on The Deniliquin Nursing Home Foundation Ltd for the financial year ended June 30, 2020.

1. General Information

Information on Directors

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

Geoffrey Riley (O.A.M.)	<p>Background: Retired small business owner. Founding Member of Navorina's General Gift Committee. Member of Lions Club (Deniliquin) for over 50 years. Honour awarded by the Vatican for 30 years services to St Michael's Parish Deniliquin.</p> <p>Experience: Director since 1988.</p>
Richard Fogarty	<p>Background: Retired small business owner. Operator of B&B business. Past Board Member of Yallambee and life member and past treasurer of the Deniliquin Boat Club.</p> <p>Experience: Director since 2013.</p>
Ashley Ellerman	<p>Background: Retired stock and station agent.</p> <p>Experience: Director since 2002.</p>
Denise Phillips	<p>Background: Small business operator (retail) for over 25 years.</p> <p>Other Current and Past Directorships: Rotary (Deniliquin) for over 25 years. Recipient of the Paul Harris Fellowship for services to Rotary.</p> <p>Experience: Director since 2002.</p>
Stephen Barlow	<p>Background: Bachelor of Pharmacy. Over 30 years of community pharmacy ownership.</p> <p>Special Responsibilities: Treasurer Member of Finance Committee and Building Committee.</p> <p>Experience: Director since 2003.</p>
Neville Purtill	<p>Background: Director of Purtill family business operations, including fuel, general retailing, hospitality, transport and logistics operators.</p> <p>Special Responsibilities: Member of Finance Committee and Building Committee.</p> <p>Experience: Director since 2010.</p>
Miles Rogers	<p>Background: Director of Law Firm - M A Rogers & Co Pty Ltd.</p> <p>Experience: Director since 2018.</p>

Information on Directors continued

John Harvie	<p>Background: Senior Executive - Local Government.</p> <p>Other Current and Past Directorships: Riverina Regional Tourism, Deniliquin RSL Club Ltd (2011-2014), Yallambee Ltd (2010-2011).</p> <p>Special Responsibilities: Food and Hospitality, and Industrial Relations.</p> <p>Experience: Director since 2013.</p>
Tim Nolan	<p>Background: Small business operator (building and construction) for over 45 years.</p> <p>Other Current and Past Directorships: Rotary (Deniliquin) for over 25 years. Recipient of the Paul Harris Fellowship for services to Rotary.</p> <p>Special Responsibilities: Member of Building Committee.</p> <p>Experience: Director from 2016 to 2020. Resigned 27/04/2020.</p>
John Tushuizen	<p>Background: Retired from finance and banking industry (over 50 years). Founding member of Navorina's General Gift Committee. Board experience with local community housing providers - Inala Mirradong Housing Corporation 2000-2006 (Chair 2002-2005).</p> <p>Other Current and Past Directorships: Member of Rotary (Deniliquin). Member of Edward River Council Audit Risk and Improvement Committee.</p> <p>Special Responsibilities: Member of Finance and Building Committee.</p> <p>Experience: Director since 2018.</p>

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

Principal Activities

The principal activities of The Deniliquin Nursing Home Foundation Ltd during the financial year were a nursing home and aged care facility.

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

2. Operating Results and Review of Operations for the Year

The loss of the Company after providing for income tax amounted to \$(422,920) [2019: \$588,352 profit]. The loss for the year includes \$50,000 received from the Australian Taxation Office in cash flow boost payments. Revenue decreased by 0.7% from \$5,212,769 to \$5,175,343.

3. Other Items

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after balance sheet date

Capital grant funding was awarded for the continuation of a major redevelopment and construction of the kitchen & laundry. A new project has been completed in September 2020 for the kitchen with the laundry completed at the end of October 2020.

A contract for stage 4A was signed on 16 September 2020 for \$2,325,010 (GST exclusive). This is for a new wing consisting of 16 bedrooms with ensuites to be known as the "Inala-Mirradong Wing". Construction commenced in September 2020 and is expected to be completed by July 2021.

A contract for stage 4B was signed on 7 October 2020 for \$1,531,361 (GST exclusive). This is for a new wing consisting of 8 bedrooms with ensuites. Construction is expected to start in November 2020 and be completed by April 2021.

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. For the year ended June 30, 2020, COVID-19 has impacted the Company in relation to restrictions on resident visitation, restructuring of clinical care staff and implementation of other measures in line with guidelines received from the Australian Department of Health. A further \$50,000 cash flow boost has been received from the Australian Taxation Office in the 2021 financial year in addition to the original \$50,000 received for tranche 1 for the March 2020 BAS during the 2020 financial year.

Novel coronavirus continues to have an impact on the industry and costs of aged care, staff wellbeing and personal protective equipment costs continue to affect the total operating costs of the Company. To help staff wellbeing the board approved the payment of a grant for all clinical care staff (Navorina 55 clinical staff) of up to \$1,600 per employee, payable in the year 2021 for the amount of \$68,640.

The Directors have prepared projected cash flow information for the twelve months to June 30, 2021 taking into consideration the estimation of the continued business impacts of COVID-19. These forecasts indicate that the Company is expected to continue to operate within available cash levels and is expected to continue operating on a going concern basis.

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.

Future developments

The Company expects to maintain the present status and level of operations.

Meeting of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings

	Eligible to Attend	Number Attended
Geoffrey Riley (O.A.M.)	13	13
Richard Fogarty	13	11
Ashley Ellerman	13	9
Denise Phillips	13	13
Stephen Barlow	13	9
Neville Purtill	13	13
Miles Rogers	13	8

John Harvie	13	11
Tim Nolan	10	8
John Tushuizen	13	13

Indemnification and Insurance of Officers and Auditors

Insurance Premiums paid for Directors

The Company has paid premiums to insure each of the Directors 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 of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended June 30, 2020 has been received and can be found on page 7 of the financial report.

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

Director: John Harvie

Date:

Director: Ashley Ellerman

Date:

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Deniliquin Nursing Home Foundation Ltd

As auditor for the audit of The Deniliquin Nursing Home Foundation Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Brian McCleary (RCA 665)

Deniliquin

9 November 2020

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PRINCIPALS

Brian McCleary C.A.



Peter Rae C.A.

Adam Menadue C.P.A
(Affiliate ICAA)

Kate Barlow C.A.

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Statement of Surplus or Deficit and Other Comprehensive Income

The Deniliquin Nursing Home Foundation Ltd
For the year ended 30 June 2020

	NOTES	2020	2019
		(\$)	(\$)
Gross Profit			
Revenue	3	5,175,343	5,212,769
Cost of Sales		(404,513)	(360,608)
Total Gross Profit		4,770,830	4,852,161
Other Income			
Other Income	3	424,435	648,888
Total Other Income		424,435	648,888
Expenses			
Administration Expenses		296,739	222,908
Finance Costs		17,145	9,190
Marketing Expenses		2,770	536
Occupancy Costs		134,648	154,069
Other Expenses		372,518	372,238
Payroll Expenses		4,794,365	4,153,756
Total Expenses		5,618,185	4,912,697
(Deficit)/ Surplus before Taxation		(422,920)	588,352
(Deficit)/ Surplus for the Year		(422,920)	588,352
Total Comprehensive Income for the Year		(422,920)	588,352

The accompanying notes form part of these financial statements.

Statement of Financial Position

The Deniliquin Nursing Home Foundation Ltd

As at 30 June 2020

	NOTES	30 JUNE 2020	30 JUNE 2019
		(\$)	(\$)
Assets			
Current Assets			
Cash and Cash Equivalents	4	6,988,695	5,277,639
Inventory	5	2,640	2,640
Other Assets	6	69,370	22,723
Receivables	7	216,066	78,933
Total Current Assets		7,276,771	5,381,935
Non-Current Assets			
Property, Plant and Equipment	8	8,434,741	7,788,531
Total Non-Current Assets		8,434,741	7,788,531
Total Assets		15,711,512	13,170,466
Liabilities			
Current Liabilities			
Payables	9	574,058	531,860
Other Liabilities	10	6,387,871	3,473,701
Provisions	13	388,467	343,243
Total Current Liabilities		7,350,396	4,348,804
Non-Current Liabilities			
Provisions	13	252,713	324,785
Total Non-Current Liabilities		252,713	324,785
Total Liabilities		7,603,109	4,673,589
Net Assets		8,108,403	8,496,877
Equity			
Reserves		3,273,368	3,238,922
Retained Earnings		4,835,035	5,257,955
Total Equity		8,108,403	8,496,877

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

The Deniliquin Nursing Home Foundation Ltd

For the year ended 30 June 2020

	NOTES	2020	2019
Equity		(\$)	(\$)
Opening Balance		8,496,877	4,622,464
Increases			
Prior period adjustment		-	47,149
Surplus for the year		-	588,352
Revaluation Increment		34,446	3,238,922
Total Increases		34,446	3,874,423
Decreases			
Deficit for the year		(422,920)	-
Total Decreases		(422,920)	-
Total Equity		8,108,403	8,496,887

The accompanying notes form part of these financial statements.

Statement of Cash Flows

The Deniliquin Nursing Home Foundation Ltd
For the year ended 30 June 2020

	NOTES	2020	2019
Cash Flows		(\$)	(\$)
Cash Flows From Operating Activities			
Receipts from Customers		5,321,991	5,260,393
Payments to Suppliers and Employees		(5,746,851)	(4,945,249)
Interest Received		91,887	105,274
Net Cash Flow (Used By)/ Provided by Operating Activities	14	(332,973)	420,418
Cash Flows From Investing Activities			
Capital Grants Received		2,150,000	370,000
Purchase of Property, Plant and Equipment		(835,971)	(192,772)
Net Cash Flow from Investing Activities		1,314,029	177,228
Cash Flows From Other Activities			
Proceeds from Resident Deposits		1,810,000	980,000
Repayment of Resident Deposits		(1,080,000)	(774,857)
Net Cash Flow from Other Activities		730,000	205,143
Movement in Cash and Cash Equivalents			
Net Increase in Cash and Cash Equivalents		1,711,056	802,789
Cash and Cash Equivalents at Beginning of the Year		5,277,639	4,474,850
Cash and Cash Equivalents at End of the Year	4	6,988,695	5,277,639

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

The Deniliquin Nursing Home Foundation Ltd

For the year ended 30 June 2020

The financial report covers The Deniliquin Nursing Home Foundation Ltd as an individual entity. The Deniliquin Nursing Home Foundation Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

(b) Going Concern Basis of Preparation

The values attributed to the Company's assets represent true and fair values on the basis that the Company is a going concern. The financial statement have been prepared on a going concern basis that contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Company is in a net current asset deficiency position. This deficiency principally arises because of a grant of \$2,000,000 received by the Company during the year. This is a one off event and has been classified as a current liability. Had the current liabilities been adjusted by stripping off this grant liability the company is in fact in a current surplus position.

The Company's ability to remain a going concern and to discharge its liabilities in the ordinary course of business is dependent upon the continuing financial support of its funding provider, key suppliers and the generation of positive net cash flows from operating activities.

In the current year the Company has reported a cash deficit from operations of **\$332,973** [2019 surplus: \$420,418] and an overall cash surplus of **\$1,711,056** (2019 surplus \$802,789). The Directors have reviewed future operating and cash flow budgets and are of the view that it is appropriate to prepare financial statements on a going concern basis.

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Inventories

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

1. Summary of Significant Accounting Policies (continued)

(e) Property, Plant & Equipment

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

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and Buildings

Land and buildings are measured using the revaluation model.

Plant and Equipment

Plant and equipment are measured on the cost basis.

Motor Vehicles

Motor vehicles are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Buildings	2.5 - 5%
Plant and Equipment	0 - 33%
Motor Vehicles	15%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(f) Financial Instruments

Initial Recognition and Measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

1. Summary of Significant Accounting Policies continued

Fair Value

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Any unobservable inputs and adjustments are reviewed regularly. The level of involvement of external valuers in the valuation is decided upon as required.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within cash at bank in current assets on the statement of financial position.

(h) 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. All employee benefits have been provided for based on actual amounts owing for leave as the reporting date. The amounts provided for include an allowance for on costs on the basis that leave will be taken in the ordinary course of business.

(i) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(j) Revenue and Other Income

Grants

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measure reliably.

Donations

Donations and bequests are recognised as revenue when received either as cash or goods. The Company has received donations from Rotary, Lions, Ladies Auxiliary, members of the community and a significant contribution of \$220,000.00 from Inala Mirradong during the year.

Volunteer Services

The board has adopted to not financially recognise or attribute a financial figure for the volunteer services due to additional services being imposed on staff and not deferred to volunteers to meet the running of the organisation.

Interest Revenue

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

Provision of Services

The Company recognises revenue from the provision of services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non - discretionary services, as agreed in a single contract with the resident.

Fees received in advance of aged care and home care services performed are recognised as contract liabilities and are included in payables and other liabilities.

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

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgment incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates - Impairment, and Valuation of Fixed Assets

The Company assesses impairment at the end of the reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers. As of 30 June 2020 the directors are of the opinion that no impairment exists over property, plant & equipment.

The land, improvements and buildings were independently inspected and valued on 27 August 2019 with a valuation date of 27 August 2019 by Herron Todd White of Deniliquin NSW 2710. The valuation was based on fair value, adopting the Depreciated Replacement Cost methodology. The critical assumptions in determining the valuation included the location of the land and buildings, the condition of the buildings, estimated age of improvement, and the function obsolescence of assets in determining their effective life.

Key Judgments - Doubtful Debts Provision

Included in the \$141,798 accounts receivable at 30 June 2020 is an amount receivable from the sales made to residents during the current financial year amounting to \$79,011. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. Expected credit losses are based on the difference between the contractual cash flows due and the cash flows the Company expects to receive.

The Company determined that the risk characteristics of its customers were not significantly impacted by COVID-19 during the period. The Company observed there to be no significant change in resident payment patterns and performance following the declaration of the COVID - 19 pandemic that would materially impact the ability to collect outstanding receivables balances.

The Directors believe that this amount is recoverable and that the bad debt provision of nil is adequate as at 30 June 2020.

Adoption of New Standards, Interpretations and Amendments

New standards, interpretations and amendments applicable during the period have no material impact as such on the financial statements of the Company.

Standards Issued But Not Yet Effective

The Company is in the process of reviewing the impact of the following pronouncements:

- AASB 2020 - 3 Amendments to AASB 3 - References to the conceptual framework (effective for annual reporting periods beginning on or after 1 January 2022).
- AASB 2018 - 7 Amendments to AASBs - Definition of Material (effective for annual reporting periods beginning on or after 1 January 2022).
- AASB 2020-3 Amendments to AASB 116 - Property, plant and equipment - Proceeds before intended use (effective for annual reporting periods beginning on or after 1 January 2022).
- AASB 2019-5 Amendments to AASBs - Disclosure of the effect of new IFRS standards not yet issued in Australia (effective for annual reporting periods beginning on or after 1 January 2020).

There are other standards, apart from the above listed standards, issued but not yet effective which the management believe are not applicable on the Company keeping in view the status and operations of the Company.

	NOTES	2020	2019
		(\$)	(\$)
2. Auditors' Remuneration			
Remuneration of the auditor of the company, for:		-	-
- auditing or reviewing the financial statements		12,727	9,800
- non-audit services provided		3,290	3,397
Total Auditors' Remuneration		16,017	13,197
	NOTES	2020	2019
		(\$)	(\$)
3. Revenue and Other Income			
Revenue			
Accommodation Services		226,925	213,513
Aged Services		4,948,418	4,999,256
Total Revenue		5,175,343	5,212,769
Other Income			
Bequests and Donations		259,256	36,545
Capital Grant Funding		-	495,000
Interest Income		93,203	93,065
Members Subscriptions		237	273
Other Income		60,133	8,884
Staff Meals		11,606	15,122
Total Other Income		424,435	648,888
Total Revenue and Other Income		5,599,778	5,861,658

	NOTES	2020	2019
4. Cash and Cash Equivalents		(\$)	(\$)
Bank Accounts			
Cash at Bank		2,156,795	1,676,613
Short-Term Bank Deposits		4,831,900	3,601,026
Total Bank Accounts		6,988,695	5,277,639
Total Cash and Cash Equivalents		6,988,695	5,277,639

The effective interest rate on short-term deposits was 1.69% (2019: 2.30%). These deposits have an average maturity of 180 days.

	NOTES	2020	2019
5. Inventory		(\$)	(\$)
Current			
Inventory at Cost		2,640	2,640
Total Current		2,640	2,640
Total Inventory		2,640	2,640

	NOTES	2020	2019
6. Other Assets		(\$)	(\$)
Current			
Accrued Income		13,777	15,145
Prepayments		55,593	7,578
Total Current		69,370	22,723
Total Other Assets		69,370	22,723

	NOTES	2020	2019
7. Receivables		(\$)	(\$)
Current			
Receivables		141,798	55,878
Other Receivables		74,268	23,055
Total Current		216,066	78,933
Total Receivables		216,066	78,933

	NOTES	2020	2019
		(\$)	(\$)
8. Property Plant and Equipment			
Land and Buildings at Fair Value			
Land and Buildings			
Land at Fair Value		300,000	300,000
Buildings at Valuation		7,200,000	7,200,000
Accumulated Depreciation of Buildings		(180,000)	-
Total Land and Buildings		7,320,000	7,500,000
Work In Progress			
Work In Progress at Cost		826,978	102,637
Total Work In Progress		826,978	102,637
Total Land and Buildings at Fair Value		8,146,978	7,602,637
Plant and Equipment			
Plant and Equipment at Cost		544,139	409,426
Accumulated Depreciation of Plant and Equipment		(267,642)	(223,532)
Total Plant and Equipment		276,497	185,893
Motor Vehicles			
Motor Vehicles at Cost		11,364	-
Accumulated Depreciation of Motor Vehicles		(98)	-
Total Motor Vehicles		11,266	-
Total Property Plant and Equipment		8,434,741	7,788,531

(a) Movement 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:

	Capital Work In Progress	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles	Total \$
Balance at the beginning of the year	102,637	300,000	7,200,000	185,894	-	7,788,531
Additions	804,944	-	-	54,110	11,364	870,418
Disposals - written down value	-	-	-	-	-	-
Transfers	(80,604)	-	-	80,604	-	-
Depreciation expense	-	-	(180,000)	(44,110)	(98)	(224,208)
Revaluation increase recognised in equity	-	-	-	-	-	-
Other changes, movements	-	-	-	-	-	-
Carrying amount at the end of the year	826,978	300,000	7,020,000	276,497	11,266	8,434,741

The Directors engaged the services of Herron Todd White to provide a valuation report on its Land and Buildings. The valuers report dated 27 August 2019 has been adopted for the purposes of presenting the Company's Land and Buildings. The Directors determined to present this revaluation increment in the Company's financial statements for the year end June 30, 2019.

	NOTES	2020	2019
		(\$)	(\$)
9. Payables			
Current			
Trade Payables		451,593	367,624
Accrued Employee Expenses		54,180	136,513
Sundry Payables and Accrued Expenses		55,447	15,236
Resident Petty Cash Held		12,838	12,488
Total Current		574,058	531,860
Total Payables		574,058	531,860

	NOTES	2020	2019
		(\$)	(\$)
10. Other Liabilities			
Current			
Refundable Accommodation Deposits		3,830,000	3,100,000
Grants Related to Assets		2,520,000	370,000
Income In Advance		37,871	3,701
Total Current		6,387,871	3,473,701
Total Other Liabilities		6,387,871	3,473,701

Grants Related to Assets includes the following:

\$2,000,000 received, out of a total \$2,498,000 for a Resident Care Grant from the Rural, Regional and Other Special Needs Fund for the continuation of a major accommodation development with construction to begin prior to the end of 2021.

\$500,000 grant approved by the Aged Care Regional Rural & Remote Infrastructure Grant in February 2019 for completion of the new kitchen and laundry. The kitchen has been completed in September 2020 with the laundry completed at the end of October 2020.

\$20,000 Palliative Care Grant received from the Queensland University of Technology which is expected to be expended by December 2020 for improvements to palliative care at the Facility.

	NOTES	2020	2019
		(\$)	(\$)
11. Capital and Leasing Commitments			
(a) Contracted commitments for:		-	-
Solar Panel Installation		-	89,639
Kitchen Construction		130,251	-
Total Capital and Leasing Commitments		130,251	89,639

The laundry construction contract as per the agreement was entered into on 22 July 2020 for \$335,253.31 (GST Exclusive). The Laundry was completed at the end of October 2020.

12. Borrowings

The Company have unsecured business card facilities in place. The cards are limited to \$15,000 in total. The card facilities are shown within Cash and Cash Equivalents in Current Assets on the Statement of Financial Position.

	NOTES	2020	2019
13. Provisions		(\$)	(\$)
Current			
Provision for Leave		388,467	343,243
Total Current		388,467	343,243
Non Current			
Provision for Leave		252,713	324,785
Total Non Current		252,713	324,785
Total Provisions		641,180	668,028

	NOTES	2020	2019
14. Cash Flow Information		(\$)	(\$)
(a) 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 & Cash Equivalents	4	6,988,695	5,277,639
(b) Reconciliation of Surplus/ (Deficit) for the year to Cash Flows from Operating Activities			
Cash Flow from Operating Activities			
(Deficit)/ Surplus for the year		(422,920)	588,352
Adjustment for Non-Cash Items:			
- Depreciation		224,208	182,823
- Capital Grants Recognised in Income		-	(495,000)
- Gain/ (Loss) on Disposal of Fixed Assets		-	30,505
Changes in Assets and Liabilities:			
- (Increase)/ Decrease in Receivables		(137,633)	28,089
- (Increase)/ Decrease in Other Assets		(46,647)	4,631
- Increase/ (Decrease) in Payables		20,842	83,310
- Increase/ (Decrease) in Other Liabilities		55,525	(942)
- Increase/ (Decrease) in Provisions		(26,348)	(1,350)
Total Cash Flow from Operating Activities		(332,973)	420,418

15. Events after balance sheet date

Capital grant funding was awarded for the continuation of a major redevelopment and construction of the kitchen & laundry. The project has been completed in September 2020 for the kitchen with the laundry completed at the end of October 2020.

A contract for stage 4A was signed on 16 September 2020 for \$2,325,010 (GST exclusive). This is for a new wing consisting of 16 bedrooms with ensuites to be known as the "Inala-Mirradong Wing". Construction commenced in September 2020 and is expected to be completed by July 2021.

A contract for stage 4B was signed on 7 October 2020 for \$1,531,361 (GST exclusive). This is for a new wing consisting of 8 bedrooms with ensuites. Construction is expected to start in November 2020 and be to be completed in April 2021.

Events after balance sheet date (continued)

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. For the year ended June 30, 2020, COVID-19 has impacted the Company in relation to restrictions on resident visitation, restructuring of clinical care staff and implementation of other measures in line with guidelines received from the Australian Department of Health. A further \$50,000 cash flow boost has been received from the Australian Taxation Office in the 2021 financial year in addition to the original \$50,000 received for tranche 1 for the March 2020 BAS during the 2020 financial year.

Novel coronavirus continues to have an impact on the industry and costs of aged care, staff wellbeing and personal protective equipment costs continue to affect the total operating costs of the Company. To help staff wellbeing the board approved the application and payment of a grant for 55 clinical care staff payable in the year 2021 for the amount of \$68,640.

The Directors have prepared projected cash flow information for the twelve months to June 30, 2021 taking into consideration the estimation of the continued business impacts of COVID-19. These forecasts indicate that the Company is expected to continue to operate within available cash levels and is expected to continue operating on a going concern basis.

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.

16. Interest of Key Management Personnel

The total remuneration paid to key management personnel of the Company is \$168,265 [2019: \$258,718]. This is gross salary inclusive of superannuation.

Key management personnel of the Company for the year ended 30 June 2020:

Nicole Smith (Director of Nursing)

17. 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 \$100 each towards meeting any outstanding obligations of the Company. As at 30 June, 2020 there were 29 members [2019: 30].

18. Related Party Transactions

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

Due to the former finance managers significant reduction in hours in 2020 and swift departure the board had to appoint a director, John Tushuizen, for the internal finance department to administer grant compliance and financial controls internally for the company to remain compliant. The board received a monthly report from John Tushuizen about the Company's state of affairs which was passed at the board meetings with employment of a director presently allowed under the constitution.

Related Party	Expense Type	Owed by the Company		
		Purchases \$	Other \$	Company \$
Neville Purtill - Wired Entertainment	Office & Communications	937	-	41
Neville Purtill - Wired Entertainment	Phone System Installation	34,595	-	-
Neville Purtill - Purtill Petroleum	Fuel	2,236	-	62
Neville Purtill - Purtill Petroleum	Motor Vehicle Purchase	12,500	-	-
Neville Purtill - Purtill Petroleum	Other Asset Purchases	202	-	-
		50,470	-	103
John Tushuizen (employee services not in capacity of director)		-	71,177	-
		-	71,177	-

19. Financial Risk Management

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-Interest Bearing		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Cash & Cash Equivalents	1.69	2.30	2,154,362	1,673,713	4,831,900	3,601,026	2,433	2,900	6,988,695	5,277,639
Total Financial Assets			2,154,362	1,673,713	4,831,900	3,601,026	2,433	2,900	6,988,695	5,277,639
Financial Liabilities:										
Trade and Sundry Payables	3.00	3.75	3,830,000	3,100,000	-	-	611,929	535,561	4,441,929	3,635,561
Total Financial Liabilities			3,830,000	3,100,000	-	-	611,929	535,561	4,441,929	3,635,561

20. Operating Segments

The Company operates predominately in one business and geographical segment being that of delivering aged care services in Deniliquin NSW. This report relates solely to these operations. The approved provider delivers only residential aged care services and this General Purpose Financial Report relates only to such operations.

21. Company Details

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

The Deniliquin Nursing Home Foundation Ltd

5-9 Macauley Street

Deniliquin NSW 2710

Directors Declaration

The Deniliquin Nursing Home Foundation Ltd
For the year ended 30 June 2020

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 21, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and;

a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

b. give a true and fair view of the financial position as at June 30, 2020 and of the performance for the year ended on that date of the Company.

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: John Harvie

Date:

Director: Ashley Ellerman

Date:

9 November 2020

Independent Auditor's Report

To the Members of The Deniliquin Nursing Home Foundation Ltd

Report on the Financial Report

We have audited the accompanying financial report of The Deniliquin Nursing Home Foundation Ltd, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Deniliquin Nursing Home Foundation Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Head Office

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BARHAM NSW 2732

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PO Box 244

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ROCHESTER

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PRINCIPALS

Brian McCleary C.A.



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Peter Rae C.A.

Adam Menadue C.P.A

(Affiliate ICAA)

Kate Barlow C.A.

Opinion

In our opinion:

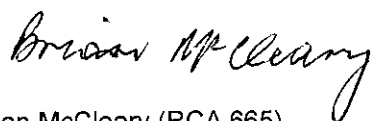
- (a) the financial report of The Deniliquin Nursing Home Foundation Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1h to the financial report which describes the basis of accounting on employee entitlements. The financial report is prepared to assist The Deniliquin Nursing Home Foundation Ltd to comply with the financial reporting provisions of their funding agreements. As a result, the financial report may not be suitable for another purpose.

Going concern basis

Without modifying our opinion, we draw attention to Note 1b to the financial report which describes the management assessment in order to prepare the statements adopting the going concern basis of preparation.



Brian McCleary (RCA 665)

9 November 2020

Deniliquin