

**Cedar Place Aged Care Facility Limited**  
**ABN: 33 143 602 751**

**Financial Statements**

**For the Year Ended 30 June 2022**

**Cedar Place Aged Care Facility Limited**

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**Cedar Place Aged Care Facility Ltd**  
**ABN 33 143 602 751**

**Financial Report for the Year Ended 30 June 2022**

## **Directors' Report**

The directors present their report on Cedar Place Aged Care Facility Limited for the financial year ended 30 June 2022.

### **General information**

#### **Directors**

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Janine Reed	Chairman	Appointed 27/07/2017
John O'Neill	Vice Chairman	Appointed 27/07/2017
Murray Sainsbury	Treasurer	Appointed 27/07/2017
Rodney Edwards	Company Secretary	Appointed 27/07/2017
Hendrika Oldenhove	Director	Appointed 27/07/2017
Brian Irvine	Director	Appointed 12/05/2010

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 activity of Cedar Place Aged Care Facility Limited during the financial year was the provision of residential aged care services.

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

#### **Short term objectives**

The Company's short-term objective is to:

- continue operating the core business that provide high quality care and support to residents of the aged care facility.

#### **Long term objectives**

The Company's long-term objective is to:

- support and provide for the community by further expansion and development of services that meet the needs of the wider ageing community within and beyond the Kempsey area.

## Directors Report

### Strategy for achieving the objectives

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

- to develop innovative solutions in aged care services by networking with other agencies and service bodies.
- to acquire research and development capability.
- to achieve efficiencies in collaboration with other entities.
- to raise the public profile of Cedar Place using marketing through modern communications to the wider community.
- to influence the policies of government and peak bodies to ensure better outcomes for residents by networking and attending State and Federal forums.

### Performance measures

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

- the Aged Care Quality & Safety Commission levels achieved.
- client satisfaction and occupancy rates.
- the level of community support.

### Events after the reporting date

No 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.

### Auditor's independence declaration

The lead Auditors Independence Declaration for the year ended 30 June 2022 has been received and can be found on page 3 of the financial report.

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



Janine Reed



Murray Sainsbury

31 October 2022

## **Auditor's Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012***

### **To the Directors of Cedar Place Aged Care Facility Limited:**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'HLV Audit'.

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HLV Audit Pty Ltd

A handwritten signature in blue ink that reads 'Angela Holladay'.

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Angela Holladay  
Director

31 October 2022

Macksville, NSW

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Cedar Place Aged Care Facility Limited

**Statement of Profit or Loss and Other Comprehensive Income**

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
<b>Income</b>			
Revenue	4	6,136,734	6,180,080
Other income	4	64,204	17,942
<b>Total Income</b>		<b>6,200,938</b>	<b>6,198,022</b>
<b>Expenses</b>			
Employee benefits expense		4,251,299	3,807,321
Labour hire		-	188,735
Depreciation and amortisation expense		256,681	244,188
Residential care expenses		183,404	151,437
Catering expenses		292,035	287,172
Cleaning		37,354	38,012
Property expenses		192,216	151,509
Utilities		172,035	171,340
Administration and other expenses		823,362	792,097
Finance costs		12,508	16,206
<b>Total Expenses</b>		<b>6,220,894</b>	<b>5,848,017</b>
<b>Profit/ (Loss) before income tax</b>		<b>(19,956)</b>	<b>350,005</b>
Income tax expense	2(a)	-	-
<b>Profit/ (Loss) for the year</b>		<b>(19,956)</b>	<b>350,005</b>
Revaluation changes for property, plant and equipment		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>(19,956)</b>	<b>350,005</b>

**Cedar Place Aged Care Facility Limited**

**Statement of Financial Position**

**As at 30 June 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	1,884,211	1,490,430
Trade and other receivables	6	133,769	103,368
Intercompany loan	17(b)	-	-
Other assets		21,997	15,581
<b>TOTAL CURRENT ASSETS</b>		<b>2,039,977</b>	<b>1,609,379</b>
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,894,687	6,302,340
Investment properties	8	790,000	770,000
Right of use assets	9	42,876	64,314
Intercompany loan	17(b)	700,000	850,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>12,427,563</b>	<b>7,986,654</b>
<b>TOTAL ASSETS</b>		<b>14,467,540</b>	<b>9,596,033</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	522,656	338,205
Financial liabilities	11	5,392,546	5,394,013
Lease liabilities	9	21,654	21,057
Employee benefits	13	268,011	235,754
Deferred income	12	55,369	29,812
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,260,236</b>	<b>6,018,841</b>
NON-CURRENT LIABILITIES			
Lease liabilities	9	22,269	43,924
Employee benefits	13	44,045	27,727
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>66,314</b>	<b>71,651</b>
<b>TOTAL LIABILITIES</b>		<b>6,326,550</b>	<b>6,090,492</b>
<b>NET ASSETS</b>		<b>8,140,990</b>	<b>3,505,541</b>
<b>EQUITY</b>			
Reserves		7,187,576	2,532,171
Retained earnings		953,414	973,370
<b>TOTAL EQUITY</b>		<b>8,140,990</b>	<b>3,505,541</b>

Cedar Place Aged Care Facility Limited

**Statement of Changes in Equity**  
For the Year Ended 30 June 2022

2021

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2021</b>	<b>973,370</b>	<b>2,532,171</b>	<b>3,505,541</b>
<b>Profit/ (Loss) for the year</b>	<b>(19,956)</b>	<b>4,655,405</b>	<b>4,635,449</b>
<b>Balance at 30 June 2022</b>	<b>953,414</b>	<b>7,187,576</b>	<b>8,140,990</b>

2020

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2020</b>	<b>623,365</b>	<b>2,532,171</b>	<b>3,155,536</b>
<b>Profit/ (Loss) for the year</b>	<b>350,005</b>	<b>-</b>	<b>350,005</b>
<b>Balance at 30 June 2021</b>	<b>973,370</b>	<b>2,532,171</b>	<b>3,505,541</b>



**Cedar Place Aged Care Facility Limited**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2022**

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and government bodies	6,207,483	6,252,738
Payments to suppliers and employees	(5,748,797)	(5,525,597)
Interest received	3,272	5,359
Finance costs	(12,509)	(16,206)
Net cash provided by/(used in) operating activities	16 <u>449,449</u>	<u>716,294</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	-
Purchase of property, plant and equipment	(172,185)	(167,521)
Loans to related parties - parent company	150,000	436,000
Net cash provided by/(used in) investing activities	<u>(22,185)</u>	<u>268,479</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Receipt of resident loans and accommodation bonds	1,260,000	1,475,000
Repayment of resident loans and accommodation bonds	(1,272,425)	(2,010,300)
Payment of lease liabilities	(21,058)	(19,438)
Net cash provided by/(used in) financing activities	<u>(33,483)</u>	<u>(554,738)</u>
Net increase/(decrease) in cash and cash equivalents held	393,781	430,036
Cash and cash equivalents at beginning of year	1,490,430	1,060,394
Cash and cash equivalents at end of financial year	5 <u>1,884,211</u>	<u>1,490,430</u>

## Cedar Place Aged Care Facility Limited

### Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Cedar Place Aged Care Facility Limited as an individual entity. Cedar Place Aged Care Facility Limited is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 were the provision of high-quality aged care. No significant change in the nature of these activities occurred during the year.

The functional and presentation currency of Cedar Place Aged Care Facility Limited is Australian dollars.

The financial report was authorised for issue by those charged with governance on 31 October 2022.

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 - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

#### 2. Summary of Significant Accounting Policies

##### (a) Income Tax

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

##### (b) Leases

At inception of a contract, the Company assesses whether a lease exists – ie, does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

#### **Revenue from contracts with customers**

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

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

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

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### Specific revenue streams

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

#### Grant and government subsidy income

Where grant and subsidy income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

*Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)*

Amounts arising from grants and subsidies in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

#### Rental income

Rental income from investment properties is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

#### Donations

Donations and bequests are recognised as revenue when the company gains control of the asset.

#### Interest income

Interest income is recognised in the profit or loss as it accrues using the effective interest rate method.

#### Other income

Other income is assessed by individual class for the appropriate revenue recognition requirements.

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### (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 payable are stated inclusive of GST.

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

### (e) Property, plant and equipment

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

Land, buildings and plant and equipment are measured using the revaluation model.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5%
Plant and Equipment	10% - 50%
Motor Vehicles	25%

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.

### (f) Investment property

Investment property is carried at fair value, determined annually by independent valuers or by directors' valuation. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income / expenses.

### (g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

### **Financial Assets**

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

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

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

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

### **Loans and receivables**

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

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

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

### **Held-to-maturity investments**

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

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis,

### **Impairment of financial assets**

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

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

**(h) 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.

**(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. The effect of discounting is not considered material and discounted cash flows have not been calculated for the purposes of measuring employee provisions. Changes in the measurement of the liability are recognised in profit or loss.

**(j) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

The Company has adopted all standards which became effective for the first time at 1 July 2021. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

**(l) Economic Dependence**

Cedar Place is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Department of Health will not continue to support Cedar Place.

## Notes to the Financial Statements

For the Year Ended 30 June 2022

**(m) Accommodation Bonds (Admissions pre 1 July 2014) and Refundable Accommodation Deposits (Admissions post 1 July 2014)**

Admissions prior to 1 July 2014:

Residents admitted to Low Care homes with the assessed means are eligible to pay an Accommodation Bond, which is repayable by the Company upon the Resident leaving the home (subject to a monthly retention fee for a maximum period of 5 years).

To provide funds for capital upgrade, the Federal Government applied an Accommodation Charge to Residents admitted to a High Care home for new residents who were deemed to have sufficient assets to afford this charge.

Accommodation bonds are non-interest bearing deposits. The liability is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the Aged Care Act 1997. Accommodation bonds are classified as a current liability as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time. These amounts have been included in current financial liabilities.

Once a refunding event occurs, the amount becomes interest bearing. The interest rate to be applied is set by the Department of Health at the time of departure and is recognised on an accruals basis over the period it is earned.

Admissions after 1 July 2014:

Residents with assessed means have the option to pay a Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP) or a combination of RAD and DAP upon entry to a residential aged care home.

Refundable Accommodation Deposit is defined in the Aged Care Act 1997. A Refundable Accommodation Deposit is a lump sum amount that may be paid for entry to residential aged care homes from 1 July 2014. It is paid as a lump sum.

Refundable Accommodation Deposits are non-interest bearing deposits. The liability is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees pursuant to the Aged Care Act 1997. Refundable Accommodation Deposits are classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time. These amounts have been included in current financial liabilities.

Once a refunding event occurs, the amount becomes interest bearing. The interest rate to be applied is set by the Department of Health at the time of departure and is recognised on an accruals basis over the period it is earned.



## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 3. Critical Accounting Estimates and Judgments

Those charged with governance 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 significant estimates and judgements made have been described below

#### **Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - estimation of useful lives of assets**

The Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### **Key estimates –property held at fair value**

An independent valuation of the land and buildings for the Residential Aged Care facility was obtained at 30 June 2022 by a Certified Practising Valuer that specialises in healthcare and retirement living valuations. The primary valuation method used was the capitalisation of net operating profit method, incorporating various assumptions and estimates. The valuation is an estimate which would only be realised if the property is sold.

#### **Key estimates – fair value assessments of investment properties**

The fair value of investment properties was obtained from independent valuer at 30 June 2022. The fair value was determined using a discounted cash flow model which used a number of observable inputs including current and expected future rental return.

#### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Cedar Place Aged Care Facility Limited

**Notes to the Financial Statements**  
For the Year Ended 30 June 2022

**4 Revenue and Other Income**

	2022	2021
	\$	\$
Sales revenue		
- Federal government subsidies	4,281,043	4,282,239
- Resident contributions	1,283,084	1,327,385
- Accommodation charges	472,024	476,291
	<u>6,036,151</u>	<u>6,085,915</u>
Finance income		
- Interest received and accrued	3,272	5,359
Other revenue		
- Rental revenue for property investment	97,291	88,756
- Donations	20	50
<b>Total revenue</b>	<u>6,136,734</u>	<u>6,180,080</u>
Other Income		
- Miscellaneous income	44,204	17,942
- Fair value adjustment to investment property	20,000	-
<b>Total other income</b>	<u>64,204</u>	<u>17,942</u>

**5 Cash and Cash Equivalents**

	2022	2021
	\$	\$
Cash at bank and in hand	493,635	112,126
Short-term bank deposits	1,390,576	1,378,304
<b>Total cash and cash equivalents</b>	<u>1,884,211</u>	<u>1,490,430</u>

**6 Trade and Other Receivables**

	2022	2021
	\$	\$
Resident debtors	44,170	45,018
GST receivable	48,351	38,560
Government subsidies receivable	2,842	6,253
Accrued income	40,194	-
Other receivables	(1,788)	13,537
<b>Total current trade and other receivables</b>	<u>133,769</u>	<u>103,368</u>

Cedar Place Aged Care Facility Limited

**Notes to the Financial Statements**  
For the Year Ended 30 June 2022

**7 Property, plant and equipment**

	2022	2021
	\$	\$
<b>LAND AND BUILDINGS</b>		
Freehold land - at fair value	<b>820,000</b>	825,000
Total Land	<b>820,000</b>	825,000
Buildings - at fair value	<b>9,400,000</b>	5,085,003
Accumulated depreciation	-	(253,094)
Total buildings	<b>9,400,000</b>	4,831,909
Total land and buildings	<b>10,220,000</b>	5,656,909
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment - at cost	<b>2,058,946</b>	1,920,822
Accumulated depreciation	<b>(1,407,493)</b>	(1,306,369)
Total plant and equipment	<b>651,453</b>	614,453
Motor vehicles - at cost	<b>96,929</b>	96,929
Accumulated depreciation	<b>(73,695)</b>	(65,951)
Total motor vehicles	<b>23,234</b>	30,978
Total plant and equipment	<b>674,687</b>	645,431
<b>Total property, plant and equipment</b>	<b>10,894,687</b>	6,302,340

**(a) Movements in Carrying Amounts**

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

	Land and Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>				
Balance at the beginning of year	5,656,909	614,453	30,978	6,302,340
Additions	34,060	138,125	-	172,185
Depreciation expense	(126,374)	(101,125)	(7,744)	(235,243)
Revaluation increase	4,655,405	-	-	4,655,405
<b>Balance at the end of the year</b>	<b>10,220,000</b>	<b>651,453</b>	<b>23,234</b>	<b>10,894,687</b>

**Notes to the Financial Statements**  
For the Year Ended 30 June 2022

**8 Investment Properties**

	<b>2022</b>	<b>2021</b>
	\$	\$
Leith Street Unit at valuation	<b>110,000</b>	110,000
Cedar Place Cottages at valuation	<b>680,000</b>	660,000
<b>Total investment properties</b>	<b>790,000</b>	770,000

**(a) Movement in investment property carrying amounts**

	<b>Investment Property</b>	<b>Total</b>
	\$	\$
Balance at the beginning of the year	770,000	770,000
Increase in fair value	20,000	20,000
<b>Balance at the end of the year</b>	<b>790,000</b>	<b>790,000</b>

**9 Right of Use Assets and Lease Liabilities**

**(a) Right of use assets**

	<b>2022</b>	<b>2021</b>
	\$	\$
Plant and Equipment - at cost	<b>80,392</b>	80,392
Accumulated Depreciation	<b>(37,516)</b>	(16,078)
<b>Right of use assets at the end of the year</b>	<b>42,876</b>	64,314

**(b) Movement in right of use assets**

	<b>Plant and Equipment</b>	<b>Total</b>
	\$	\$
Balance at the beginning of the year	64,314	64,314
Additions	-	80,392
Depreciation expense	(21,438)	(16,078)
<b>Balance at the end of the year</b>	<b>42,876</b>	<b>64,314</b>

**Notes to the Financial Statements**  
For the Year Ended 30 June 2022

**(c) Movement in lease liabilities**

	<b>Plant and Equipment leases</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	64,981	64,981
Additions	-	-
Accretion of interest	1,551	1,551
Lease payments	(22,608)	(22,608)
<b>Balance at the end of the year</b>	<b>43,924</b>	<b>43,924</b>

**(d) Lease liability maturity analysis**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Current	<b>22,608</b>	22,608
Non-Current	<b>22,608</b>	45,216
Less: Unexpired Interest	<b>(1,293)</b>	(2,843)
<b>Net future lease payments</b>	<b>43,923</b>	64,981

**(e) Recognition of lease expenses in profit or loss**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Right of use assets depreciation expense	<b>21,438</b>	16,078
Lease liabilities interest expense	<b>1,551</b>	1,545
Variable lease payments	<b>2,504</b>	6,657
<b>Total amount recognised in the profit or loss</b>	<b>25,493</b>	24,280

The Company has a lease agreement for photocopier and scanning equipment with a lease term of 60 months from initial contract conception.

The Company has determined the present value of lease liabilities and corresponding right of use assets through applying a discount rate implicit within the lease, or where this rate is not readily identifiable, the Company's incremental borrowing rate, which was determined to be 2.8% at report date.

Cedar Place Aged Care Facility Limited

**Notes to the Financial Statements**  
For the Year Ended 30 June 2022

**10 Trade and Other Payables**

	2022	2021
	\$	\$
Trade payables	282,056	150,808
Accrued expenses	240,600	187,397
<b>Total trade and other payables</b>	<b>522,656</b>	<b>338,205</b>

**11 Financial Liabilities**

	2022	2021
	\$	\$
Refundable Accommodation Deposits	5,392,546	5,394,013
<b>Total current financial liabilities</b>	<b>5,392,546</b>	<b>5,394,013</b>

**12 Deferred Income**

	2022	2021
	\$	\$
Fees received in advance	55,369	29,812
<b>Total deferred income</b>	<b>55,369</b>	<b>29,812</b>

**13 Employee Benefits**

	2022	2021
	\$	\$
<b>CURRENT</b>		
Annual leave payable	253,924	213,315
Long service leave	14,087	22,439
<b>Total current employee benefits</b>	<b>268,011</b>	<b>235,754</b>
	2022	2021
	\$	\$
<b>NON-CURRENT</b>		
Long service leave	44,045	27,727
<b>Total non-current employee benefits</b>	<b>44,045</b>	<b>27,727</b>

## Cedar Place Aged Care Facility Limited

### Notes to the Financial Statements

For the Year Ended 30 June 2022

#### 14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding debts and obligations of the Company. At 30 June 2022 the number of members was 11 (2021: 11).

#### 15 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

#### 16 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Profit/ (Loss) for the year	(19,956)	350,005
Non-cash flows in profit:		
- depreciation	256,681	244,188
- net gain on disposal of property, plant and equipment	-	-
- retentions and interest	10,958	9,583
- fair value movements on investments	(20,000)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(30,401)	84,136
- (increase)/decrease in other assets	(6,416)	(10,309)
- increase/(decrease) in income in advance	25,557	(9,835)
- increase/(decrease) in trade and other payables	184,451	27,341
- increase/(decrease) in employee benefits	48,575	21,185
Cashflows from operations	<u>449,449</u>	<u>716,294</u>

#### 17 Related Parties

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

The ultimate parent entity, which exercises control over the Company, is NVC Group Ltd which is incorporated in Australia.

The total remuneration paid to key management personnel of Cedar Place Aged Care Facility Ltd for the year ending 30 June 2022 was \$247,467 (2021: \$174,789).

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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

### **(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

- Payments totalling \$725,216 to NVC Group Ltd for corporate administration overhead costs and laundry costs.

- A loan of \$850,000 to NVC Group Ltd was outstanding as at the end of the previous year. A total of \$150,000 was received during the year. The expected settlement of the remaining balance of \$700,000 is after 12 months from the report date and has been classified as a non-current receivable at 30 June 2022.

### **18 Events after the end of the Reporting Period**

The financial report was authorised for issue on 31 October 2022 by those charged with governance.

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

### **19 Statutory Information**

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

Cedar Place Aged Care Facility Limited  
58 Cochrane Street  
Kempsey West NSW 2440




**Cedar Place Aged Care Facility Limited**

**Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

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

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



Janine Reed



Murray Sainsbury

31 October 2022

## Independent Audit Report to the members of Cedar Place Aged Care Facility Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Cedar Place Aged Care Facility Limited, which comprises the statement of financial position as at 30 June 2022, 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 responsible persons' declaration.

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

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### 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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the responsible entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity'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 Registered Entity to cease to continue as a going concern.

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

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HLV Audit Pty Ltd

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Angela Holladay  
Director

31 October 2022

Macksville, NSW

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