



yackandandah **health**

Financial Report

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2021 - 2022



**Yackandandah Bush Nursing Hospital Inc
and controlled entities
ABN 51 952 388 345**

Consolidated Financial Statements

For the year ended 30 June 2022

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Yackandandah Bush Nursing Hospital Inc. and controlled entities ABN 51 952 388 345

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Notes	Consolidated		Parent	
		2022 \$	2021 \$	2022 \$	2021 \$
Revenue	2	8,810,985	9,147,791	8,371,997	8,811,027
Expenditure					
Employee benefit expenses		8,029,172	8,129,188	7,850,463	7,910,204
Depreciation expenses	3	826,311	764,632	826,311	764,632
Resident expenses		508,100	489,637	508,100	489,637
Office and administration expenses		488,404	460,783	456,124	437,631
Contractor and consultancy expenses		509,906	314,302	297,142	216,140
Repairs and maintenance expenses		121,354	164,791	119,299	162,062
Finance costs	3	64,676	16,577	64,676	16,577
Other staff related expenses		94,736	72,019	92,349	69,554
Other expenses		266,450	141,822	240,466	139,658
		<u>10,909,109</u>	<u>10,553,751</u>	<u>10,454,930</u>	<u>10,206,095</u>
Surplus/(deficit) before income tax		(2,098,124)	(1,405,960)	(2,082,933)	(1,395,068)
Income tax expense	1(e)	-	-	-	-
Net surplus/(deficit) for the year		<u>(2,098,124)</u>	<u>(1,405,960)</u>	<u>(2,082,933)</u>	<u>(1,395,068)</u>
Other comprehensive income		-	-	-	-
Total comprehensive result for the year		<u>(2,098,124)</u>	<u>(1,405,960)</u>	<u>(2,082,933)</u>	<u>(1,395,068)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2022

	Notes	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	11,201,718	12,739,030	11,161,997	12,659,071
Trade and other receivables	5	253,542	69,791	225,404	69,033
Other assets	6	13,824	15,776	14,222	15,776
Total current assets		11,469,084	12,824,597	11,401,623	12,743,880
Non-current assets					
Property, plant and equipment	7	8,099,738	8,440,254	8,083,990	8,424,506
Total non-current assets		8,099,738	8,440,254	8,083,990	8,424,506
Total assets		19,568,822	21,264,851	19,485,613	21,168,386
LIABILITIES					
Current liabilities					
Trade and other payables	8	743,287	558,228	688,209	520,041
Employee benefit provisions	9	994,050	820,704	994,050	820,704
Other liabilities	10	16,949,147	16,778,552	16,949,147	16,778,552
Borrowings	11	50,000	50,000	50,000	50,000
Provision for income tax		-	14,956	-	-
Total current liabilities		18,736,484	18,222,440	18,681,406	18,169,297
Non-current liabilities					
Employee benefit provisions	12	139,014	200,963	139,014	200,963
Borrowings	13	816,667	866,667	816,667	866,667
Total non-current liabilities		955,681	1,067,630	955,681	1,067,630
Total liabilities		19,692,165	19,290,070	19,637,087	19,236,927
Net assets		(123,343)	1,974,781	(151,474)	1,931,459
EQUITY					
Retained surplus/(deficit)		(123,343)	1,974,781	(151,474)	1,931,459
Total equity		(123,343)	1,974,781	(151,474)	1,931,459

The above statement of financial position should be read in conjunction with the accompanying notes.

Yackandandah Bush Nursing Hospital Inc. and controlled entities ABN 51 952 388 345

Statement of changes in equity

For the year ended 30 June 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Retained surplus at the beginning of the financial year	1,974,781	3,380,741	1,931,459	3,326,527
Net surplus/(deficit) for the year	(2,098,124)	(1,405,960)	(2,082,933)	(1,395,068)
Other comprehensive income	-	-	-	-
Retained surplus/(deficit) at the end of the financial year	(123,343)	1,974,781	(151,474)	1,931,459

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

Notes	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash flows from operating activities				
Receipts from residents and government	8,471,714	9,415,764	8,060,111	9,068,757
Payments to suppliers and employees	(9,676,807)	(9,973,648)	(9,239,917)	(9,637,473)
	(1,205,093)	(557,884)	(1,179,806)	(568,716)
Interest received	35,795	55,797	35,790	55,797
Tax paid	(14,956)	-	-	-
Interest Paid	(64,676)	(16,577)	(64,676)	(16,577)
Net cash inflow (outflow) from operating activities	(1,248,930)	(518,664)	(1,208,692)	(529,496)
Cash flows from investing activities				
Payments for property, plant & equipment	(487,292)	(301,467)	(487,292)	(293,437)
Proceeds from sale of property, plant & equipment	7,497	-	7,497	-
Payments for purchase of shares	(1,565)	-	(1,565)	-
Net cash inflow (outflow) from investing activities	(481,360)	(301,467)	(481,360)	(293,437)
Cash flows from financing activities				
Repayment of Borrowings	(50,000)	(55,000)	(50,000)	(55,000)
Accommodation RAD's received	3,481,124	3,029,824	3,481,124	3,029,824
Accommodation bonds/ RAD's repaid	(3,347,146)	(1,873,301)	(3,347,146)	(1,873,301)
Independent Living Unit ingoing contributions	450,000	970,000	450,000	970,000
Independent Living Unit refunds	(341,000)	(263,700)	(341,000)	(263,700)
Repayment of other bonds	-	28,120	-	28,120
Net Cash provided by (used in) Financing Activities	192,978	1,835,943	192,978	1,835,943
Net increase (decrease) in cash and cash equivalents held	(1,537,312)	1,015,812	(1,497,074)	1,013,010
Cash and cash equivalents at the beginning of the financial year	12,739,030	11,723,218	12,659,071	11,646,061
Cash and cash equivalents at the end of the financial year	4 11,201,718	12,739,030	11,161,997	12,659,071

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. Summary of significant accounting policies

Basis of preparation of accounting

The financial statements are consolidated general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB), the *Associations Incorporation Reform Act 2012* and *Division 60 of the Australian Charities and Not for Profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

Going Concern

The financial statements have been prepared on the basis that the Group will be able to continue as a going concern. The Group has reported a deficit for the year of \$2,098,124 (2021: \$1,405,960) with a negative working capital balance of \$7,267,400 (2021: \$5,397,843). This financial position gives rise to a material uncertainty in respect to the Group's ability to pay its debts as and when they become due and payable, and accordingly its ability to continue as a going concern.

The organisations Board of Directors has determined that the organisation cannot continue as a going concern under its current model of community ownership and needs to merge or otherwise transfer into the ownership of another entity to be able to achieve economies of scale. To assist in this transition the Group has applied for a grant from the Department of Health and Aged Care, to enable them to continue to operate and meet quality of care for residents while they undertake an expression of interest process to transition to another provider. On the 7th of March 2023 the Department of Health and Aged Care advised that the Minister has approved this grant with the corresponding funding agreement yet to be finalised at the time the financial statements were adopted.

If the Group is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Accounting Policies

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Yackandandah Bush Nursing Hospital Inc. as at 30 June 2022 and the results of all subsidiaries for the year then ended. Yackandandah Bush Nursing Hospital Inc. and its controlled entities together are referred to in this financial report as the 'Group'. The effects of all transactions between entities in the Group are eliminated in full. A list of controlled entities is contained in note 18. All controlled entities have a 30 June financial year end.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(b) Revenue and income

Where operating grants and contributions have enforceable obligations attached and have sufficiently specific performance obligations required to be fulfilled these grants are recognised in accordance with AASB 15. Under AASB 15 this grant revenue is recognised over time as the specific performance obligations are met. The specific performance obligations for most operating grants received are met in the year in which the related grant is received. Where specific performance obligations are not met, the grant revenue is deferred on the balance sheet as a contract liability (refer to note 8).

Where operating grants or contributions do not have enforceable obligations attached or do not have sufficiently specific performance obligations required to be fulfilled these grants are recognised in accordance with AASB 1058. Grants accounted for under AASB 1058 are recognised as revenue at a point-in-time at the earlier of receipt of the related funding or when an unconditional right to the revenue is established.

Capital grants received to enable the company to acquire or construct a recognisable non-financial asset to be controlled by the entity are accounted for under AASB 1058. The transfers received are initially recognised as a deferred capital grant (refer to note 8), which is released as revenue over time as obligations are met. For most capital grants, the obligations are deemed to have been met in accordance with the stage of completion of the underlying non-financial asset.

Revenue from resident fees, retentions, independent living unit fees and child care fees, are recognised over time as the performance obligations are met, being as the related services are provided.

Medical centre revenue is recognised at the point in time that the performance obligation has been satisfied, being the provision of the related services.

Donation and fundraising revenue is recognised as revenue upon receipt.

Interest revenue is recognised as it is earned.

Other income is recognised as it is earned.

All revenue is stated net of the amount of goods and service tax.

(c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of any outstanding bank overdrafts.

(d) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision is raised based on an expected credit loss method in accordance with AASB 9: *Financial Instruments*.

(e) Income Tax

The Association is not subject to income tax. The income tax expense relates to the 100% owned subsidiary, Yackandandah Health Medical Centre Pty Ltd

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(f) Goods and services tax

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 Tax 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. The purchase method of accounting is used for all acquisitions of assets.

The carrying amounts of property, plant and equipment are reviewed annually by the Committee to ensure they are not in excess of the recoverable amount from those assets.

Items with a cost in excess of \$1,000 are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including buildings is depreciated over their useful lives commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings & improvements	4% - 10%
Plant and equipment	5% - 25%
Motor vehicles	22.5%
Furniture & fittings	5% - 25%

An asset's carrying amount is written down to its recoverable amount, if the asset's carrying amount is greater than its recoverable amount (refer note (i)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(h) Impairment of Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As the Association is a not-for-profit entity, the value in use is the depreciated replacement cost of the asset.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(j) Employee entitlements

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on commonwealth bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(k) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction cost are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

(l) Comparative Figures

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

(m) Economic Dependence

The Group is dependent on the Department of Health and Aged Care for the majority of its revenue used to operate the business. At the date of this report, the Committee has no reason to believe the Department will not continue to support the Group.

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(n) Adoption of the New and Revised Accounting Standards

The Group has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (SD) framework. The application of this standard has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

A number of Australian Accounting Standards have been issued or amended during the current year which may be applicable to the Group but are not yet effective. The Committee has noted the likely impact of these amendments and have determined they will have an immaterial, if any, impact on the Group. Consequently, they have not been adopted in the preparation of these financial statements.

2. Revenue

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue from contracts with customers accounted for under AASB 15:				
Government subsidies – aged care	4,902,126	5,021,894	4,902,126	5,021,894
Government subsidies – childcare funding	588,891	598,974	588,891	598,974
Other grants/subsidies received	209,123	46,943	209,123	46,943
Resident aged care fees	1,913,891	1,832,058	1,913,891	1,832,058
Retentions	72,416	110,397	72,416	110,397
Childcare service fees	300,815	300,586	300,815	300,586
Medical Center revenue	394,689	266,807	-	-
Independent living unit fees	114,723	127,533	114,723	127,533
Government COVID-19 stimulus	-	161,000	-	123,500
Interest	35,795	55,823	35,790	55,812
	<u>8,532,469</u>	<u>8,522,015</u>	<u>8,137,775</u>	<u>8,217,697</u>
Income of Not-for-Profit Entities accounted for under AASB 1058:				
Other grant income	201,230	524,900	178,353	492,779
Donations	7,507	7,088	7,507	7,088
Gain on sale of P,P&E	6,000	-	6,000	-
Other income	63,779	93,788	42,362	93,463
	<u>278,516</u>	<u>625,776</u>	<u>234,222</u>	<u>593,330</u>
Total Revenue	<u>8,810,985</u>	<u>9,147,791</u>	<u>8,371,997</u>	<u>8,811,027</u>

Notes to and forming part of the financial statements

For the year ended 30 June 2022

3. Expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net gains and expenses				
Surplus before income tax expense includes the following expenses:				
Finance Costs				
Interest expense on refund of accommodation deposits	31,890	9,059	31,890	9,059
Interest and facility fees on Bank accounts	32,786	7,518	32,786	7,518
Total Finance Costs	<u>64,676</u>	<u>16,577</u>	<u>64,676</u>	<u>16,577</u>
Depreciation				
Buildings & improvements	607,007	601,598	607,007	601,598
Plant and equipment	158,113	99,285	158,113	99,285
Motor vehicles	1,329	4,042	1,329	4,042
Furniture & fittings	59,862	59,707	59,862	59,707
Total Depreciation	<u>826,311</u>	<u>764,632</u>	<u>826,311</u>	<u>764,632</u>

4. Current assets – Cash and cash equivalents

Cash on hand	500	500	500	500
Cash at bank	5,110,636	6,682,001	5,070,915	6,602,042
Term deposits	6,090,582	6,056,529	6,090,582	6,056,529
	<u>11,201,718</u>	<u>12,739,030</u>	<u>11,161,997</u>	<u>12,659,071</u>

5. Current assets – Trade and other receivables

Trade receivables	177,030	28,584	176,903	28,584
Childcare fees receivable	19,955	25,745	19,955	25,745
Other Receivables	56,557	15,462	28,546	14,704
	<u>253,542</u>	<u>69,791</u>	<u>225,404</u>	<u>69,033</u>

6. Current assets – Other

Prepayments	12,259	15,776	12,657	15,776
Shares held at cost	1,565	-	1,565	-
	<u>13,824</u>	<u>15,776</u>	<u>14,222</u>	<u>15,776</u>

Notes to and forming part of the financial statements

For the year ended 30 June 2022

7. Non-current assets – Property, plant and equipment

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Land - at cost	340,104	340,104	340,104	340,104
Buildings & improvements – at cost	15,386,283	15,326,846	15,386,283	15,326,846
Less: Accumulated Depreciation	(8,936,360)	(8,329,352)	(8,936,360)	(8,329,352)
	6,449,923	6,997,494	6,449,923	6,997,494
Total land, buildings & improvements	6,790,027	7,337,598	6,790,027	7,337,598
Plant and equipment- at cost	1,809,170	1,654,380	1,795,113	1,640,323
Less Accumulated Depreciation	(1,172,955)	(1,004,346)	(1,172,955)	(1,004,346)
	636,215	650,034	622,158	635,977
Motor Vehicles- at cost	73,748	56,501	73,748	56,501
Less Accumulated Depreciation	(44,826)	(53,993)	(44,826)	(53,993)
	28,922	2,508	28,922	2,508
Furniture & Fittings- at cost	1,493,028	1,291,052	1,491,337	1,289,361
Less Accumulated Depreciation	(898,683)	(840,938)	(898,683)	(840,938)
	594,345	450,114	592,654	448,423
Capital works in progress	50,229	-	50,229	-
Total property and equipment	8,099,738	8,440,254	8,083,990	8,424,506

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Consolidated						
	Land	Buildings	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Capital works in progress	Total
	\$	\$	\$	\$	\$	\$	\$
WDV 30 June 2021	340,104	6,997,494	650,034	2,508	450,114	-	8,440,254
Additions	-	59,436	144,294	29,240	204,093	50,229	487,292
Disposals	-	-	-	(1,497)	-	-	(1,497)
Depreciation	-	(607,007)	(158,113)	(1,329)	(59,862)	-	(826,311)
WDV 30 June 2022	340,104	6,449,923	636,215	28,922	594,345	50,229	8,099,738

Notes to and forming part of the financial statements

For the year ended 30 June 2022

7. Non-current assets – Property, plant and equipment (continued)

Parent

	Land	Buildings	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Capital works in progress	Total
	\$	\$	\$	\$	\$	\$	\$
WDV 30 June 2021	340,104	6,997,494	635,977	2,508	448,423	-	8,424,506
Additions	-	59,436	144,294	29,240	204,093	50,229	487,292
Disposals	-	-	-	(1,497)	-	-	(1,497)
Depreciation	-	(607,007)	(158,113)	(1,329)	(59,862)	-	(826,311)
WDV 30 June 2022	340,104	6,449,923	622,158	28,922	592,654	50,229	8,083,990

8. Current liabilities – Trade and other payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade creditors	193,846	125,468	191,499	125,468
Accrued expenses	220,030	221,535	220,030	221,535
Medical centre creditors	11,409	13,687	-	-
Deferred Capital Grants	18,658	60,000	18,658	60,000
ATO liabilities	236,345	113,034	230,253	113,034
Other creditors	62,999	24,504	27,769	4
	743,287	558,228	688,209	520,041

9. Current liabilities – Employee benefits

Provision for annual leave	496,212	437,359	496,212	437,359
Provision for long service leave	497,838	383,345	497,838	383,345
	994,050	820,704	994,050	820,704

10. Current liabilities – Other

Accommodation bonds and Resident accommodation deposits (RAD's) held	15,438,633	15,322,345	15,438,633	15,322,345
Independent Living Units – entry deposits	1,478,374	1,424,067	1,478,374	1,424,067
Refundable Bonds - Other	32,140	32,140	32,140	32,140
	16,949,147	16,778,552	16,949,147	16,778,552

Movements in accommodation bonds and RAD's held during the year:

	2022	2021
	\$	\$
Opening balance	15,322,345	14,224,486
Add: Bonds/RAD's received	3,481,124	3,029,824
Less: Bonds/RAD's refunded	(3,347,146)	(1,873,301)
Less: Retentions	(17,690)	(58,664)
Closing balance	15,438,633	15,322,345

Notes to and forming part of the financial statements

For the year ended 30 June 2022

10. Current liabilities – Other (continued)

Movements in Independent Living Units – entry deposits held during the year:

	2022	2021
	\$	\$
Opening balance	1,424,067	769,500
Add: Deposit's received	450,000	970,000
Less: Deposit's refunded	(341,000)	(263,700)
Less: Deferred Management fees	(54,693)	(51,733)
Closing balance	<u>1,478,374</u>	<u>1,424,067</u>

11. Current liabilities – Borrowings

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Borrowings - current	50,000	50,000	50,000	50,000

12. Non-current liabilities – Employee benefits

Provision for long service leave	<u>139,014</u>	<u>200,963</u>	<u>139,014</u>	<u>200,963</u>
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13. Non-current liabilities – Borrowings

Borrowings – non-current	<u>816,667</u>	<u>866,667</u>	<u>816,667</u>	<u>866,667</u>
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Notes to and forming part of the financial statements

For the year ended 30 June 2022

14. Segment Reporting

	Aged Care & Independent Living Units		Yackandandah Medical Centre Pty Ltd		Little Yacks Child Care	
	2022	2021	2022	2021	2022	2021
Assets	\$	\$	\$	\$	\$	\$
Cash & cash equivalents	11,093,033	12,363,159	39,721	79,959	68,964	295,912
Trade & other receivables	187,358	13,880	28,137	758	208,823	40,449
Loan receivable	-	168,593	-	-	31,407	-
Other assets	11,917	15,776	(398)	-	2,304	-
Property, plant & equipment	8,039,861	8,400,834	15,748	15,748	44,130	23,672
Total Assets	19,332,169	20,962,242	83,208	96,465	355,628	360,033
Liabilities						
Trade and other payables	804,073	474,496	55,076	38,187	54,914	30,841
Provision for income tax	-	-	-	14,956	-	-
Employee benefits provisions	1,090,655	1,000,617	-	-	42,409	21,050
Other liabilities	16,917,007	16,746,412	-	-	32,140	32,140
Borrowings	898,074	916,667	-	-	-	168,593
Total Liabilities	19,709,809	19,138,192	55,076	53,143	129,463	252,624
Net Assets	(377,640)	1,824,050	28,132	43,322	226,165	107,409

Notes to and forming part of the financial statements

For the year ended 30 June 2022

14. Segment Reporting/Entity Details (Continued)

	Aged Care & Independent Living Units		Yackandandah Medical Centre Pty Ltd		Little Yacks Child Care	
	2022	2021	2022	2021	2022	2021
Revenue	\$	\$	\$	\$	\$	\$
Government subsidies	4,902,126	5,021,894	-	-	588,891	598,974
Service & Resident fees	1,913,891	1,832,058	-	-	300,815	300,586
Retentions	72,416	110,397	-	-	-	-
Independent living unit fees	114,723	127,533	-	-	-	-
Medical centre revenue	-	-	394,689	266,807	-	-
Interest	35,769	55,797	5	11	21	15
Other grant revenue	387,476	522,938	22,877	32,120	-	16,785
COVID-19 Stimulus	-	123,500	-	37,500	-	-
Donations	7,507	7,088	-	-	-	-
Gain on sale of P,P&E	6,000	-	-	-	-	-
Other Income	39,441	91,254	21,416	326	2,922	2,208
Total Revenue	7,479,349	7,892,459	438,987	336,764	892,649	918,568
Operating Expenses						
Employee benefits expense	7,183,395	7,220,468	178,709	218,985	667,068	689,735
Depreciation expenses	824,195	764,255	-	-	2,116	377
Resident expenses	508,100	489,637	-	-	-	-
Office and administration	409,151	538,586	32,345	18,935	46,908	39,585
Contractor and consultancy	296,332	201,437	212,765	98,387	810	14,703
Repairs and maintenance	118,157	155,026	2,054	2,730	1,142	7,035
Finance costs	64,676	16,577	-	-	-	-
Other staff related expenses	87,788	60,177	2,387	2,465	4,561	9,377
Other expenses	189,387	(51,228)	25,776	6,155	51,287	50,347
Total operating expenses	9,681,181	9,394,935	454,036	347,657	773,892	811,159
Surplus/(Deficit)	(2,201,832)	(1,502,476)	(15,049)	(10,893)	118,757	107,409
Tax expense	-	-	-	-	-	-
Surplus/(Deficit) after tax	(2,201,832)	(1,502,476)	(15,049)	(10,893)	118,757	107,409

Notes to and forming part of the financial statements

For the year ended 30 June 2022

15. Contingent Assets and Liabilities

Liabilities

The Committee is not aware of any contingent liability that may exist as at 30 June 2022.

Assets

YBNH holds 85 aged care bed licences as at 30 June 2022. These licences were acquired at no cost. They have not been recognised as an intangible asset on the basis that there is currently no active market for these licences. Accordingly, a fair value cannot be reliably measured.

16. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and entry contributions payable.

The carrying amounts 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:

		Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
<i>(i) Financial Assets at amortised cost</i>					
Cash on hand	4	11,201,718	12,739,030	11,161,997	12,659,071
Trade and other receivables	5	253,542	69,791	225,404	69,033
Total Financial Assets		11,455,260	12,808,821	11,387,401	12,728,104
<i>(ii) Financial Liabilities at amortised cost</i>					
Trade and other payables	8	488,284	385,194	439,298	347,007
Residential aged care – bonds and deposits	10	16,949,147	16,778,552	16,949,147	16,778,552
Borrowings					
- Current	11	50,000	50,000	50,000	50,000
- Non-current	13	816,667	866,667	816,667	866,667
Total Financial Liabilities		18,304,098	18,080,413	18,255,112	18,042,226

17. Commitments for expenditure

There were no material commitments for expenditure as at 30 June 2022 (2021: Nil).

18. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

Consolidated Name of the entity	Country of Incorporation	Class of Shares	Equity Holdings	
			2022 %	2021 %
Yackandandah Health Medical Centre Pty Ltd	Australia	Ordinary	100	100

Notes to and forming part of the financial statements

For the year ended 30 June 2022

19. Related party transactions

(a) Directors

The Following persons acted as Committee members during the period.

Tricia Glass (resigned October 2021)	Trevor Matthews
Fabian Burder	Shell Morphy
Margaret Hewson (resigned October 2021)	Brydie Donnelly (resigned July 2021)
Doug Westland	Tim Evans (appointed February 2022)
Don Crosthwiate (resigned October 2021)	Roslyn McIntyre (appointed February 2022)

- i. The members of the Committee of Management act in an honorary capacity; and
- ii. There were no transactions with committee members or their related parties during the year.

(b) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. The key management personnel of the entity comprise the committee members and senior management.

	2022	2021
	\$	\$
Aggregate remuneration paid to key management personnel for the year	<u>320,935</u>	<u>279,878</u>

20. Auditors Remuneration

Remuneration of the auditor:

- Auditing of the financial statements and annual prudential compliance statements	15,000	16,500
- Taxation services	3,320	-
- Other non-assurance services	1,000	1,500
	<u>19,320</u>	<u>18,000</u>

21. Events occurring after balance date

As set out within the going concern disclosure on note 1, subsequent to year end, the organisations Board of Directors has determined that the organisation cannot continue as a going concern under its current model of community ownership and needs to merge or otherwise transfer into the ownership of another entity to be able to achieve economies of scale. To assist in this transition the Group has applied for a grant from the Department of Health and Aged Care, to enable them to continue to operate and meet quality of care for residents while they undertake an expression of interest process to transition to another provider. On the 7th of March 2023 the Department of Health and Aged Care advised that the Minister has approved this grant with the corresponding funding agreement yet to be finalised at the time the financial statements were adopted.

Other than the event detailed above, there has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Yackandandah Bush Nursing Hospital Inc. and controlled entities ABN 51 952 388 345

Statement by members of the committee


For the year ended 30 June 2022

In the opinion of the members of the committee the financial statements as set out on pages 2 to 18:

1. Presents a true and fair view of the financial position of Yackandandah Bush Nursing Hospital Inc. and controlled entities as at 30 June 2022 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Simplified Disclosures and the requirements of the *Associations Incorporation Reform Act 2012* and *Division 60 of the Australian Charities and Not for Profits Commission Act 2012*.
2. At the date of this statement, there are reasonable grounds to believe that Yackandandah Bush Nursing Hospital Inc. and controlled entities will be able to pay their debts as and when they fall due.


This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:

Chairperson.....



Doug Westland

Treasurer.....



Ben Evans

22 March 2023

Yackandandah Bush Nursing Hospital Inc. and controlled entities ABN 51 952 388 345

Auditors' Independence Declaration

For the year ended 30 June 2022

I declare that, to the best of my knowledge and belief, in relation to the audit of Yackandandah Bush Nursing Hospital Inc. for the year ended 30 June 2022 there have been:

- (a) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.



Ryan Schischka
Director

Albury
26 March 2023

Independent auditor's report to the members of Yackandandah Bush Nursing Hospital Inc. and controlled entities

Opinion

We have audited the accompanying consolidated general purpose – simplified disclosure financial statements of Yackandandah Bush Nursing Hospital Inc. and its controlled entities (the Group), which comprises the statement of financial position at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, and the statement by the members of the committee.

In our opinion, the financial statements of the Group have been prepared in accordance with the *Associations Incorporation Reform Act 2012* and *Division 60 of the Australian Charities and Not for Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Simplified Disclosures the *Associations Incorporation Reform Regulations 2012* and *Division 60 of the Australian Charities and Not for Profits Commission Regulation 2013*.

Basis of 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 Statements* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit we have complied with the independence requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*.

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

Material Uncertainty Related to Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1, there is a material uncertainty whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Notes to and forming part of the financial statements

For the year ended 30 June 2021

Independent auditor's report (continued)

Responsibilities of the Committee of Management for the Financial Statements

The Committee of Management of the Group is responsible for the preparation of the financial statements that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* and meet the requirements of the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not for Profits Commission Act 2012* and are appropriate to meet the needs of the members.

The Committee of Management is also responsible for such internal control as the Committee of Management determines necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee of Management is responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Committee of Management is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 the 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 these financial statements.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME
Chartered Accountants



Ryan Schischka
Director

Albury
26 March 2023

