

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Financial Statements

For the Year Ended 30 June 2016

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Contents

30 June 2016

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration	6
Statement of Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	25
Independent Audit Report	26

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Directors' Report

30 June 2016

Yass Valley Aged Care Limited is incorporated under the Corporations Act 2001 as a company limited by guarantee. The Company incorporates the operations of the facilities known as Horton House Nursing Home and Warmington Lodge. The directors of Yass Valley Aged Care Limited submit the following report and the accompanying financial statements in respect of the financial year ended 30 June 2016:

Directors

The names of the directors of the Company from the beginning of the financial year to the date of this report (except as otherwise noted) are as follows:

Names	Position	Appointed/Resigned
Ron Badger	President	Resigned October 2015
Michael Walker	Director / President	Appointed President January 2016
Rowena Abbey	Director	Resigned October 2015
Nicholas Carmody	Vice President	Resigned February 2016
Ginny Hewlett	Director	Resigned October 2015
Hugh McDonald	Director	
Reg Moebus	Director	
George Tewes	Director	
Melina Waters	Director	
Mark Gibbs	Director	
Wendy Dashwood	Director	
Anthony Reeves	Director / Vice President	Appointed October 2015; Appointed Vice President March 2016
Nyree Ashton	Director	Appointed October 2015
Paul Turner	Director – Casual Vacancy	Appointed April 2016

Information on directors

The following information relates to the directors of Yass Valley Aged Care Limited:

Ron Badger

Qualifications	- Bachelor of Civil Engineering
Experience	- Professional Civil Engineer - 40 years experience as Urban Services Engineer

Michael Walker

Qualifications	- LLB ANU
Experience	- 15 years practice as solicitor NSW (1975 – 1990) - 30 years management farming operations (1984 – present)
Special responsibilities	- Member of Personnel and Remuneration Committee

Rowena Abbey

Qualifications	- BBus University of Technology
Experience	- 20 years experience in finance industry - Is currently the Mayor of Yass - Rural management
Special responsibilities	- Member of Audit & Risk Committee

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Directors' Report

30 June 2016

Information on directors (continued)

Nicholas Carmody

- | | |
|--------------------------|---|
| Experience | - Local Businessman since 1987
- Former Mayor of Yass Valley Council 1999 - 2012 |
| Special responsibilities | - Member of Future Directions Committee |

Ginny Hewlett

- | | |
|--------------------------|--|
| Qualifications | - Registered Nurse and Midwife (retired) |
| Experience | - Social Policy Consultant
- Past Member Australian Institute of Company Directors (AICD) |
| Special responsibilities | - Member of Future Directions Committee |

Hugh McDonald

- | | |
|--------------------------|--|
| Qualifications | - Bachelor of Laws
- Bachelor of Economics (Honours)
- Admitted to the High Court
- Unrestricted practicing certificate issued from NSW Law Society |
| Experience | - Partner – Davis Faulkner and Co. |
| Special responsibilities | - Member of Future Directions Committee |

Reg Moebus

- | | |
|--------------------------|---|
| Qualifications | - Commerce (Accounting Procedures) Certificate Canberra TAFE College 1976 |
| Experience | - 47 years finance career in both private & public sector |
| Special responsibilities | - Member of Audit & Risk Committee |

George Tewes

- | | |
|--------------------------|--|
| Qualifications | - Master's Degree in Management
- Bachelor's Degree in Public Administration
- Graduate of the Australian Institute of Company Directors |
| Experience | - Fellow of the Royal Society of Arts
- Member of the Yass Valley Business Chamber |
| Special responsibilities | - Member of Future Directions Committee |

Melina Waters

- | | |
|--------------------------|--|
| Qualifications | - Bachelor of Commerce 1993
- Certified Practising Accountant |
| Experience | - 20 years experience in public accounting practice |
| Special responsibilities | - Member of Audit & Risk Committee |

Mark Gibbs

- | | |
|--------------------------|---|
| Qualifications | - B Health Sciences – pre hospital care
- Associate Diploma Para medicine
- Associate Diploma Government Management |
| Experience | - Superintendent in NSW ambulance Service |
| Special responsibilities | - Member of Personnel and Remuneration Committee |

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Directors' Report

30 June 2016

Information on directors (continued)

Wendy Dashwood

Qualifications	- Diploma in Dental Hygiene - Certificate III in Aged Care
Experience	- Business owner
Special responsibilities	- Member of Personnel and Remuneration Committee

Anthony Reeves

Qualifications	- LL.M
Experience	- 27 years experience as a solicitor (1976-2003)
Special responsibilities	- Member of Personnel and Remuneration Committee

Nyree Ashton

Qualifications	- B Commerce (Accounting) UC - Diploma of Financial Planning IIT - FCPA, FIPA, Affiliate CAANZ
Experience	- Accountant in public practice (1992-present)
Special responsibilities	- Member of Audit and Risk Committee

Paul Turner

Qualifications	- Diploma of Teaching - Bachelor of Administration (Education)
Experience	- 1977-2003 Primary / Secondary Education. 12years as a Principal - 1996-present Owner / Manager Turner's Wholesale Nursery

Principal activities

The principal activity of Yass Valley Aged Care Limited during the financial year was to provide aged care services to the Yass Valley through the provision of residential accommodation and community care. There was no change in the nature of these activities during the year.

Short term objectives

The Company's short term objectives are to:

- Provide quality residential accommodation and community care for all persons pursuant to the Aged Care Act, or its replacement.
- To do all such things for the aid, comfort, benefit and welfare of residents in Horton House and Warmington Lodge and all others receiving care from the Company.

Long term objectives

The Company's long term objectives are to:

- Be sustainable and strive for continuous improvement so as to offer the best possible care for the aged population requiring our assistance.

Strategy for achieving the objectives

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

- Development of an annual strategic plan and undertaking of the strategies within this plan
- Commitment to the implementation of the highest standards of quality care for residents and staff through

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Directors' Report

30 June 2016

Strategy for achieving the objectives (continued)

- continuous improvement
- Promotion of leadership at all levels through staff and volunteer training and education
- Accountability to all stakeholders by meeting identified statutory responsibilities in an ethical and timely manner
- Delivering service to the community through the provision of excellence in care to residents, their families and friends.

Measurement of performance

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

- Audited annual Financial Reports
- One unannounced agency visit per annum
- One announced agency visit per annum
- A three yearly accreditation process conducted by the accreditation agency

Financial results

The deficit of Yass Valley Aged Care Limited for the year ended 30 June 2016 was \$57,492 (deficit for 2015: \$64,993).

Company Limited by Guarantee

The Company is incorporated as a company limited by guarantee in NSW, Australia, having its registered office and principal place of business at 41 Castor Street, Yass, NSW 2582.

As a company limited by guarantee, the liability of members is limited. In the event that the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Company.

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ron Badger	4	4
Michael Walker	11	10
Rowena Abbey	4	1
Nicholas Carmody	6	5
Ginny Hewlett	4	3
Hugh McDonald	11	9
Reg Moebus	11	5
George Tewes	11	5
Melina Waters	11	9
Mark Gibbs	11	7
Wendy Dashwood	11	11
Anthony Reeves	7	7
Nyree Ashton	7	5
Paul Turner	2	2

Yass Valley Aged Care Limited
ABN: 32 150 316 895

Directors' Report

30 June 2016

Auditor's Independence Declaration

A copy of the auditor's independence declaration follows this Directors' Report.

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

Director: M J. Walker

Director: W. Mahmood

Dated this 29th day of September 2016

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF YASS VALLEY AGED CARE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



Duesburys Nexia
Canberra, 29 September 2016



G J Murphy
Partner

Yass Valley Aged Care Limited

ABN: 32 150 316 895

**Statement of Comprehensive Income
For the Year Ended 30 June 2016**

		2016	2015
	Note	\$	\$
Revenue	2	5,313,179	5,497,290
Accounting and audit fee		(97,115)	(97,529)
Advertising		(2,917)	(2,498)
Bank fees and interest		(1,563)	(1,301)
Cleaning expenses		(70,184)	(74,709)
Consultancy		(9,678)	(30,592)
Depreciation and amortisation		(451,163)	(476,098)
Employee provisions		(504)	(115,340)
Insurance		(161,812)	(161,041)
Kitchen and laundry supplies		(22,209)	(26,724)
Motor vehicle expenses		(13,620)	(17,384)
Other employee expenses		(48,954)	(56,247)
Other expenses		(9,960)	(8,690)
Printing, postage and stationery		(19,296)	(19,845)
Rental property expenses		(5,840)	(15,844)
Repairs and maintenance		(176,207)	(196,494)
Residents expenses		(490,955)	(473,699)
Subscriptions and licences		(11,783)	(15,943)
Subsidies expenses		(5,310)	(6,719)
Superannuation		(301,361)	(304,087)
Telecommunications		(10,140)	(10,700)
Utilities		(127,124)	(157,397)
Wages		(3,332,976)	(3,293,402)
Total expenses		(5,370,671)	(5,562,283)
Income tax expense	1(b)	-	-
Surplus/(deficit) for the year		(57,492)	(64,993)
Other comprehensive income		-	-
Total comprehensive income for the year		(57,492)	(64,993)

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Statement of Financial Position**As At 30 June 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash at bank	3	2,197,841	1,714,621
Trade receivables	4	315,362	1,209,335
Financial assets	5	6,131,924	4,436,978
Prepayments		21,140	29,803
TOTAL CURRENT ASSETS		<u>8,666,267</u>	<u>7,390,737</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	8,705,871	9,004,010
Investment property	7	894,771	906,228
Intangible assets	8	109,467	115,834
TOTAL NON-CURRENT ASSETS		<u>9,710,109</u>	<u>10,026,072</u>
TOTAL ASSETS		<u>18,376,376</u>	<u>17,416,809</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	9	6,693,115	5,676,560
Employee benefits	10	542,649	531,913
TOTAL CURRENT LIABILITIES		<u>7,235,764</u>	<u>6,208,473</u>
NON-CURRENT LIABILITIES			
Employee benefits	10	13,392	23,624
TOTAL NON-CURRENT LIABILITIES		<u>13,392</u>	<u>23,624</u>
TOTAL LIABILITIES		<u>7,249,156</u>	<u>6,232,097</u>
NET ASSETS		<u>11,127,220</u>	<u>11,184,712</u>
EQUITY			
Retained earnings		11,127,220	11,184,712
TOTAL EQUITY		<u>11,127,220</u>	<u>11,184,712</u>

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	11,184,712	11,184,712
Surplus/(deficit) for the year	(57,492)	(57,492)
Balance at 30 June 2016	11,127,220	11,127,220

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	11,249,705	11,249,705
Surplus/(deficit) for the year	(64,993)	(64,993)
Balance at 30 June 2015	11,184,712	11,184,712

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Statement of Cash Flows
For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from residents, government and others	5,045,323	5,281,853
Payments to suppliers and employees	(5,342,344)	(5,044,385)
Interest received	133,450	221,096
Dividend received	-	2
Net cash provided by operating activities	<u>(163,571)</u>	<u>458,566</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for investments	(1,694,946)	(108,687)
Proceeds from investments	-	3,507
Payments for property, plant and equipment	(135,200)	(155,736)
Payment for intangible asset	-	(20,000)
Net cash used in investing activities	<u>(1,830,146)</u>	<u>(280,916)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bonds and deposits	4,071,580	1,774,000
Repayments of bonds and deposits	(1,594,643)	(1,930,092)
Net cash provided by financing activities	<u>2,476,937</u>	<u>(156,092)</u>
Net increase (decrease) in cash and cash equivalents held	483,220	21,558
Cash and cash equivalents at beginning of year	<u>1,714,621</u>	<u>1,693,063</u>
Cash and cash equivalents at end of financial year	<u>3 2,197,841</u>	<u>1,714,621</u>

The accompanying notes form part of these financial statements.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies

(a) Basis of preparation

These financial statements cover Yass Valley Aged Care Limited (the Company) as an individual not-for-profit entity incorporating the operations of the facilities known as Horton House Nursing Home and Warmington Lodge. The Company is incorporated under the Corporations Act 2001 as a company limited by guarantee and is domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board) and the Australian Charities and Not-for-Profits Commission Act 2012.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income tax

Yass Valley Aged Care Limited is a tax exempt body under relevant provisions of the Income Tax Assessment Act 1997.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(c) 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 losses.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs 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 Company and the cost of the item can be measured reliably. All other costs (e.g. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on either a diminishing value or 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	Depreciation Rate
Buildings	2.5% - 4%
Plant, equipment, furniture and fittings	4% - 100%
Motor Vehicles	12.5% - 22.5%
Artworks	1% - 7.5%

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

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(d) Investment property

Investment properties, comprising two rental properties, are held to generate long-term yields. All tenant leases are on an arm's length basis. Investment properties are depreciated in accordance with the policy set out for property, plant and equipment.

(e) Intangible assets

Intangible assets incorporate purchased bed licences, a logo and a policy system. Intangible assets are recorded at cost, less accumulated amortisation and any impairment losses. Bed licences are not amortised as they have an indefinite life. The policy system is amortised over 4 years on a straight line basis and the logo is depreciated over 3 years on a straight line basis.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of 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 costs are expensed to profit or loss immediately. Subsequent to initial recognition these instruments are measured as set out below:

(i) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

(v) Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of the reporting period, an assessment is made whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(h) Impairment of non-financial assets

At the end of the reporting period, the carrying values of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated.

(i) Employee benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(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.

(k) 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 three 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 short-term borrowings in current liabilities on the Statement of Financial Position.

(l) Revenue and other income

Revenue from the provision of services to residents is recognised in the period that the service is provided.

Grant revenue is recognised in the statement of comprehensive income 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 measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue is deferred until those conditions are satisfied.

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

Revenue from government subsidies is recognised progressively on a monthly basis. The portion of government subsidies received that relates to services to be provided in the following financial year is brought to account at balance date as income in advance.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

(l) Revenue and other income (continued)

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(m) 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.

(n) Accommodation bonds and refundable accommodation deposits

The balance represents amounts contributed by residents to occupy the residential aged care facilities. The amount contributed by each resident is subject to an assets test or income and assets test. The Company is generally entitled to retain a portion of each accommodation bond as income depending upon the date of entry of the resident, each year for a maximum period of five years. Retention amounts are not deducted from refundable accommodation deposits. The remaining balance of each bond or deposit is repayable on cessation of occupancy by the resident.

In accordance with the requirements of Australian Accounting Standards, the liability is recognised as a current liability even though the Directors consider that most repayments will generally occur more than 12 months after the reporting period.

(o) Comparative figures

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

Critical accounting estimates and judgments

The Board evaluates estimates and judgments 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 Yass Valley Aged Care Limited.

The Board does not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Revenue

	2016	2015
	\$	\$
Operating Activities		
Government subsidies and payments	3,310,367	3,525,664
Resident contributions	1,480,015	1,416,423
Rent received	30,311	28,952
Bond income	36,863	58,631
	<u>4,857,556</u>	<u>5,029,670</u>
Non-operating Activities		
Donations received	226,364	235,388
Interest received	199,037	225,521
Dividend and trust distributions received	-	2
Sundry income	30,222	6,709
	<u>455,623</u>	<u>467,620</u>
Total Revenue	<u>5,313,179</u>	<u>5,497,290</u>

3 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	400	400
Cash at bank	2,197,441	1,714,221
	<u>2,197,841</u>	<u>1,714,621</u>

4 Trade and Other Receivables

	2016	2015
	\$	\$
Trade and other receivables	315,362	1,209,335
	<u>315,362</u>	<u>1,209,335</u>

Nil (2015:\$1,036,000) of the debtors is related to accommodation bonds and refundable accommodation deposits receivable. The balance at 30 June 2016 mostly related to fees owed by current residents of the Company. None of these receivables are considered to be impaired.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements For the Year Ended 30 June 2016

5 Financial Assets

Held to maturity assets

	2016	2015
	\$	\$
CURRENT		
Term deposits (maturities of 6 to 12 months)	6,131,924	4,436,978
Total current financial assets	6,131,924	4,436,978

6 Property, Plant and Equipment

(a) Book values

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	108,032	108,032
Buildings		
At cost	10,107,921	10,107,921
Accumulated depreciation	(2,736,512)	(2,483,746)
Total buildings	7,371,409	7,624,175
Plant, equipment, furniture and fittings		
At cost	3,157,671	3,107,506
Accumulated depreciation	(2,170,761)	(1,998,415)
	986,910	1,109,091
Motor vehicles		
At cost	106,982	102,982
Accumulated depreciation	(86,177)	(78,278)
	20,805	24,704
Artworks		
At valuation	32,243	32,243
Accumulated depreciation	(4,520)	(4,192)
	27,723	28,051
Work in progress		
At cost	190,992	109,957
Total property, plant and equipment	8,705,871	9,004,010

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2016

6 Property, Plant and Equipment (continued)

(a) Book values (continued)

(b) Movements in Carrying Amounts

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

	Land	Buildings	Plant, equipment, furniture and fittings	Motor Vehicles	Artwork	Works in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	108,032	7,624,175	1,109,091	24,704	28,051	109,957	9,004,010
Additions	-	-	50,165	4,000	-	81,035	135,200
Depreciation expense	-	(252,766)	(172,346)	(7,899)	(328)	-	(433,339)
Balance at 30 June 2016	108,032	7,371,409	986,910	20,805	27,723	190,992	8,705,871

7 Investment Property

(a) Book values

	2016	2015
	\$	\$
Land	548,259	548,259
Buildings	419,273	419,273
Accumulated depreciation	(72,761)	(61,304)
	346,512	357,969
Total investment property	894,771	906,228

(b) Movement in Carrying Amounts

Movement in the carrying amounts for investment property between the beginning and the end of the financial year.

	Balance at beginning of year	Additions	Disposals	Depreciation	Closing WDV
	\$	\$	\$	\$	\$
Land	548,259	-	-	-	548,259
Buildings	357,969	-	-	(11,457)	346,512
Total	906,228	-	-	(11,457)	894,771

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements For the Year Ended 30 June 2016

8 Intangible Assets

	2016	2015
	\$	\$
Bed licences - at cost	98,277	98,277
Logo - at cost	4,099	4,099
Accumulated amortisation	(3,470)	(2,104)
	629	1,995
Policy system - at cost	20,000	20,000
Accumulated amortisation	(9,439)	(4,438)
	10,561	15,562
Total Intangibles	109,467	115,834

The purchased bed licences are not depreciated as they have an indefinite life.

9 Trade and Other Payables

	2016	2015
	\$	\$
CURRENT		
Creditors and accruals	204,601	533,324
Accommodation bonds	2,673,355	3,513,236
Refundable accommodation deposits	3,815,159	1,630,000
	6,693,115	5,676,560

Accommodation bonds and refundable accommodation deposits are recorded as current liabilities as Yass Valley Aged Care Limited does not have an unconditional right to defer settlement of the liabilities for at least 12 months after the reporting period. The Company estimates that approximately \$1,600,000 (2015: \$1,250,000) of accommodation bonds will be repaid during the next 12 months after the reporting period. It is expected that these liabilities will be replaced with amounts received from incoming residents.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements For the Year Ended 30 June 2016

10 Provisions

	2016	2015
	\$	\$
CURRENT		
Annual leave	284,836	300,307
Long service leave	257,813	231,606
	<u>542,649</u>	<u>531,913</u>
NON-CURRENT		
Long service leave	13,392	23,624
	<u>556,041</u>	<u>555,537</u>

The majority of the provisions for employee entitlements are recorded as current liabilities as employees are currently entitled to the benefits at balance date.

11 Key Management Personnel Compensation

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

The total remuneration paid to key management personnel of the Company was \$255,363 (2015: \$246,752).

The above includes amounts paid for Management Liability Insurance which incorporates directors' and officers' liability insurance. It is not practical to obtain details of the component of the insurance premium that relates specifically to key management personnel.

12 Related Party Transactions

Other than the compensation of key management personnel, which is separately disclosed in these statements, there were no related party transactions during the financial year.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2016

13 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and trade and other payables. The terms and conditions of these instruments are consistent with those regularly adopted by businesses in Australia.

The Company is not exposed to any significant credit, liquidity or interest rate risks.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	3	2,197,841	1,714,621
Held to maturity assets	5	6,131,924	4,436,978
Loans and receivables:			
Trade and other receivables	4	315,362	1,209,335
Total financial assets		<u>8,645,127</u>	<u>7,360,934</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payable	9	204,601	533,324
Accommodation bonds and refundable accommodation deposits	9	6,488,514	5,143,236
Total financial liabilities		<u>6,693,115</u>	<u>5,676,560</u>

Net fair values

Financial assets and financial liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms to maturity or market interest rates.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Operating Segments

The Company operates in the aged care industry in Australia. As a not for profit entity, AASB 8 "Operating Segments" does not apply to the Company. The following information is provided solely to comply with the reporting requirements of the Commonwealth Department of Social Services.

Segment performance

	Residential Aged Care		CACP		EACH		Economic Entity	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Government subsidies	3,025,427	3,165,860	163,480	224,677	121,460	135,127	3,310,367	3,525,664
Resident fees and bond income	1,405,853	1,364,753	100,526	101,781	10,499	8,520	1,516,878	1,475,054
Donations	226,364	235,388	-	-	-	-	226,364	235,388
Interest and dividends	199,037	225,523	-	-	-	-	199,037	225,523
Rental income	30,311	28,952	-	-	-	-	30,311	28,952
Other income	30,222	6,709	-	-	-	-	30,222	6,709
Inter-segment revenue	-	-	-	-	-	-	-	-
Total segment revenue	4,917,214	5,027,185	264,006	326,458	131,959	143,647	5,313,179	5,497,290
Employee expenses	3,361,937	3,434,468	210,561	245,728	111,297	88,880	3,683,795	3,769,076
Care related expenses	581,244	560,984	5,668	17,155	1,746	3,712	588,658	581,851
Depreciation and amortisation	450,865	474,173	298	1,925	-	-	451,163	476,098
Interest expense	-	-	-	-	-	-	-	-
Other expenses	631,235	710,805	9,934	17,149	5,886	7,304	647,055	735,258
Total segment expenses	5,025,281	5,180,430	226,461	281,957	118,929	99,896	5,370,671	5,562,283
Segment Result	(108,067)	(153,245)	37,545	44,501	13,030	43,751	(57,492)	(64,993)

Segment assets and liabilities

	Residential Aged Care		CACP		EACH		Economic Entity	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	18,371,823	17,415,958	4,553	851	-	-	18,376,376	17,416,809
Total assets	18,371,823	17,415,958	4,553	851	-	-	18,376,376	17,416,809
Segment liabilities	7,176,384	6,162,448	47,619	59,157	25,153	10,492	7,249,156	6,232,097
Total liabilities	7,176,384	6,162,448	47,619	59,157	25,153	10,492	7,249,156	6,232,097

	Residential Aged Care		CACP		EACH		Economic Entity	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition of non-current segment assets	131,200	175,736	4,000	-	-	-	135,200	175,736
Depreciation and amortisation of segment assets	450,865	474,173	298	1,925	-	-	451,163	476,098

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of receivables, investment properties and property, plant and equipment, net of accumulated depreciation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of creditors and accruals, employee entitlements, accommodation bonds and refundable accommodation deposits.

Notes to the Financial Statements

For the Year Ended 30 June 2016

14 Operating Segments (continued)

Business and Geographic Segments

Business Segments

Yass Valley Aged Care Limited has the following three business segments:

- 'Residential Aged Care' facilities provide residential aged care to residents in an 'Ageing in Place' Home approved under the Aged Care Act 1997.
- Community Aged Care Package Program (CACPP) is a funded program from the Department of Social Services that provides subsidies for allocated places in relation to community care. This also includes contributions from residents in relation to the program.
- 'Extended Aged Care at Home Program (EACH)' is a funded program from the Department of Social Services that provides care, tailored to help frail older Australians to remain living at home with daily assistance. This also includes contributions from residents in relation to the program.

Geographic Segments

Yass Valley Aged Care Limited operates in one geographical location, being Yass region.

15 Events after the end of the Reporting Period

These financial statements were authorised for issue by the Board on the date of signing the attached Directors' Declaration. The Board has the power to amend the financial statements after they are issued.

There are no events after the reporting period which require amendment of, or further disclosure in, the financial statements.

16 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at the end of the reporting period. During the year it was identified that there was a technical breach of the Aged Care Act 1997 (the Act) in relation to the late submission of the Company's Annual Prudential Compliance Statement and General Purpose Financial Statements with the Department of Health. Management have taken steps to ensure that a similar breach does not re-occur. There are no contingent liabilities noted in relation to this matter.

17 Leasing Commitments

There are no leasing commitments at the end of the reporting period.

Yass Valley Aged Care Limited

ABN: 32 150 316 895

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Director



Dated

29/9/16

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
YASS VALLEY AGED CARE LIMITED**

Scope

We have audited the accompanying financial statements of Yass Valley Aged Care Limited (the Company), which comprise the statement of financial position as at 30 June 2016, 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 Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

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Auditor's Opinion

In our opinion:

- a) the financial statements of Yass Valley Aged Care Limited are 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 Yass Valley Aged Care Limited's financial position as at 30 June 2016 and of its performance for the year ended on that date;
 - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013,
- b) we have been given all information, explanation and assistance necessary for the conduct of the audit;
- c) Yass Valley Aged Care Limited has kept financial records sufficient to enable a financial report to be prepared and audited;
- d) Yass Valley Aged Care Limited has kept other records as required by the Act.

Report on the Requirements of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2008


We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2008.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements of the above mentioned Act or Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Auditor's Opinion

In our opinion:

- a) the financial statements show a true and fair view of the financial result of fundraising appeals for the year to which they relate;
- b) the accounts and associated records relating to fundraising activities have been properly kept during the year in accordance with the above mentioned Act and Regulation;
- c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the above mentioned Act and Regulation; and
- d) Yass Valley Aged Care Limited is solvent.


Duesburys Nexia
 Canberra, 29 September 2016


G J Murphy
 Partner