19/20 ANNUAL Report

CaSPA Care

Living well. Living locally.











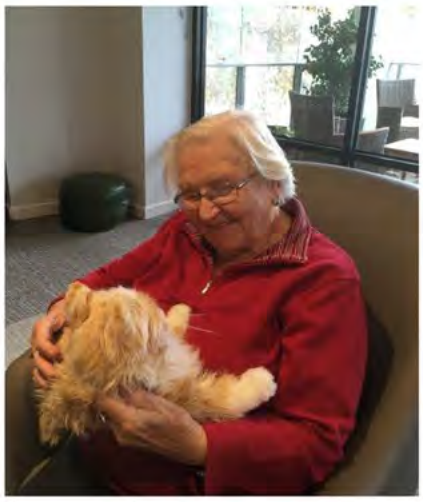



Contents









OUR VISION

Older people living in a compassionate community that sustains and reinforces independence, social relationships and community interaction.

OUR MISSION

To deliver a range of services, accommodation and care to older frail adults and their families in the City of Port Phillip which:

- Upholds the independence and quality of life of residents.
- Provides wellbeing and dignity by recognising each person's social, health, emotional, intellectual and cultural needs.
- Provides a welcoming, friendly, pleasant, safe and secure environment.
- Excels through learning, continuous improvement and fostering the skills of staff.

OUR VALUES

RESPECT
- We treat every person with dignity and courtesy, we are polite and we listen

COMMUNICATION
- We share information appropriately, promptly and openly

TEAMWORK
- We are reliable, friendly and we help each other

ACCOUNTABILITY
- We are responsible for our decisions and work professionally

HONESTY
- We trust each other and are trustworthy

COMPASSION
- We provide care with kindness and empathy that considers and meets each individual's needs

Board Chair and Chief Executive Officer Report

Richard Gates
Chair

Sue Fowler
Chief Executive Officer

Aged care services have never experienced the challenges and issues caused by the COVID-19 pandemic and the unprecedented changing environment within the sector.

Our residents, families and staff have shown amazing resilience and we are also grateful for the support we received as we navigated the changing landscape of Commonwealth and State directions and recommendations. We have made decisions with the best of intentions to keep our residents as safe as possible. These decisions have not always been popular.

We acknowledge the emotional toll that restricted visitor access has had on our residents, families and friends. We all look forward to government directives easing so that face to face visits can be re-established as soon as possible, subject to appropriate safety measures continuing.

Up until early August 2020, no resident or staff had tested positive for COVID-19. Early August a COVID 19 Outbreak was declared at South Port as a result of a staff member testing positive. All protocol and safeguards were followed and thankfully there was no transmission to any residents or other staff. The Outbreak was declared closed on 5 September. A special thanks to Maricar and all her magnificent South Port team for the amazing work and dedication in protecting our residents during this incredibly challenging period.

Emerald Hill Residence & South Port Community Residential Home

Emerald Hill maintained an average 98.3% occupancy throughout the year and continues to have a strong waitlist. South Port maintained an average occupancy of 94.3% throughout the year. Higher than industry standard occupancy figures, and a waiting list for Emerald Hill, reinforce that CaSPA Care is known and respected as a preferred provider of residential aged care services in the City of Port Phillip. Many other providers have struggled to maintain occupancy during the pandemic.

Claremont Home

The partnership and lease agreement with YWCA Housing to provide short term accommodation for women aged 55+ who are at risk of homelessness at Claremont House continues.

This program has been very successful, and a strong partnership continues between CaSPA Care and YWCA Housing.

Negotiations are underway to extend the lease agreement for a future period.

Our plans to redevelop the Claremont property are dependent on a number of factors. Key considerations are the availability of aged care bed licences (presently no new allocations in metro Melbourne) as well as the need to properly assess the impact of the reforms likely to follow the recommendations of the ongoing Royal Commission into Aged Care Quality and Safety.

Our Board of Directors

The CaSPA Care Board of Directors continue to give their time and expertise in their stewardship of the organisation.

Whilst the Board remains committed to continue to work on the strategic direction of the organisation, COVID-19 has seen their focus shift to supporting the organisation to manage and navigate through the myriad of issues related to the pandemic.

We would like to acknowledge the retirement of Henry Blatman, Neil Cathels and Anita Horvath during the year.

Henry was a CaSPA Care Board Director for 8 years and served on the Governance Committee. The Leadership Team would like to acknowledge the support and expertise Henry provided during early 2019 in supporting and mentoring the growth and development of the team.

Neil was a Board member for almost 4 years and held the role of Treasurer and Chair of Audit, Finance and Risk Committee.

Anita was a CASPA Care Board member for 4 years and Chair of the Governance Committee.

We thank them for their expertise and commitment to CaSPA Care.

Board vacancies were filled by Shainal Nathoo, Marina Johnson, Grant Stewart and Paul Garry.

Vicki Davidson has assumed the role as Chair of the Governance Committee. Paul Garry is our new Treasurer. Marina Johnson chairs the Communications Committee.

Ellie Schwab and Grant Stewart have assumed responsibility for oversighting the management of our Claremont Property including the relationship with YWCA Housing.

Our staff

With the challenges posed by COVID-19 our staff have continued to come to work despite external pressures and juggling home and work life. We are very grateful for their commitment to care for our residents.

We greatly appreciate the ongoing support from the Rotary Club of Melbourne of a financial contribution towards staff education.

Our Volunteers

Volunteers are a vital component of our CaSPA Care Family and we look forward to welcoming our volunteers back to the facilities when it is safe to do so. Our Volunteers continue to provide support for our residents whilst off site and we are very pleased for their support. There have been many innovative ways of keeping in touch happening.

We also acknowledge the ongoing generous donations from The Olver Carlyle Foundation to support our Lifestyle Programs at both facilities.

We would like to thank and acknowledge the community volunteers who sit on the Board's subcommittees:

Audit, Risk & Finance: David Gorman and Paul Gary
Clinical Governance: Beris Campbell, Dr Graeme Mulvey and Liz Robson

Governance: Ian Gould and Glenn Staunton

Staff Awards

Our award winners were:

Harold Alexander Teamwork Award: South Port Staff

Marie Fitzpatrick Leadership Award: Num Rana and Terry Zeng

Bruce Leahey Encouragement Award: Ma Garcia and Tammy Bollig

Milestones

A new category of recognition of 5 Years of Service has now commenced:

Manoj Subedi
Sarita Shahi
Miki Okabe
Selvina Ramsamy
Sanju Rai Hamal Martina Oseghale
Almaz Ashagre
Linda Strick
Jordan Jakar
Tommy Veselinovich
Ana Ramos
Tosin Adegbola
Jenny Spence
Jenitha Vaz
Donia Augustin

5 Year Service:
Pinky Patel
Senay Abraha

10 Year Service:
Senait Woldegiorgis (not previously acknowledged)

15Year Service:
Spomenka Mrnjaus
Cindia Auriant

20 Year Service:
Wayne Potter

Richard Gates
Chair

Sue Fowler
Chief Executive Officer

Board acknowledgment and thanks to Sue Fowler as Outgoing CEO

After 30 June, Sue Fowler as our CEO for the last 2 years resigned from CaSPA Care. Sue's last day with us was Tuesday 22nd September.

The Board owes a great deal of thanks to Sue for her enormous commitment and service leading CaSPA Care over the last two years.

Sue's legacy includes that she has left us with a strongly performing and united leadership team.

Also, special thanks particularly for Sue's unwavering contribution over the last six months where Sue has worked tirelessly to protect residents, staff, and visitors from Covid-19 during this most testing time.

We sincerely wish Sue all the best in her new endeavours which we are sure will be a great success.

CaSPA Care Board

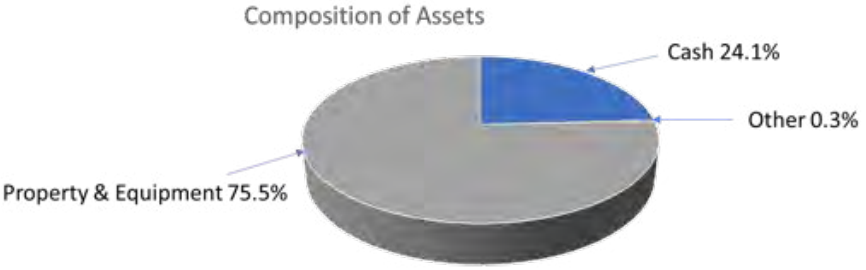
Treasurer's Report

Paul Garry
Treasurer

CaSPA Care remains in a sound financial position, holding cash reserves of $17.7m at year end (2019 $14.6m).

Despite the challenges faced in the second half of 2020, with the arrival of the COVID19 pandemic, the Group has maintained a stable financial position. The overall mix of assets and liabilities has changed little, although cash and equivalent balances held at year end have grown by $3.0m, reflecting increased balances of Residential Accommodation Deposits held.

Cash and equivalent balances now represent 24% as a proportion of our total asset base, with non-current property and equipment continuing to represent our largest class of asset.



The operating results for the year have been somewhat distorted by the compulsory adoption of revised accounting standards that have predominantly impacted our reported operating income and finance costs. However, whilst creating distortions at specific points in the financial statements, these impacts have largely offset themselves with minimal impact to overall results.

The net operating surplus for the year before depreciation of $0.7m was reduced from prior year ($1.2m) largely due to increased staffing costs as a result of EBA adjustments and increases in staffing requirements required to deal with the COVID19 pandemic. In addition, investment income reduced significantly (down $0.3m) consistent with market trends. As was the case for all residential aged care providers, CaSPA received a supplement payment in June 2020 to assist with our response to the COVID19 pandemic. This payment has helped defray the additional costs that were incurred in dealing with the pandemic.

After depreciation the total deficit for the year was $0.7m (2019 deficit: $0.1m).

Pleasingly, during the year, investment in upgraded IT platforms has continued, including Sage Micropay (payroll management) and Epicor (finance and operations). These applications interface with our existing rostering and care platforms, respectively, that were implemented in prior years. All applications are now managed within a common IT environment that provides CaSPA with greater efficiency and flexibility.

I would like to sincerely thank the Finance Department of CaSPA Care, led by our Chief Financial Officer, Thuy Huynh-Reilly, whom have overseen the upgrades to our core operating systems and provided unwavering support to management and the Board throughout the year.

Audit, Finance and Risk Committee Report

Paul Garry
Treasurer

The role of the Audit, Risk and Finance (AFR) Committee, which meets on a quarterly basis, is to oversee the financial management of the organisation, including budget preparation and reporting, financial, legal and compliance requirements and investment strategies.

The committee also reviews risk management, insurance and related matters and provides relevant advice and recommendations to facilitate informed decision making by the Board.

Over the course of the year, in addition to monitoring financial management aspects, several important matters were considered, including:

- Implementation of a new payroll system, Sage Micropay, which is compliant with 'single touch payroll' (ATO) requirements;
- Implementation of new financial system, Epicor;
- Review of problems arising during the year at a residential property investment; and
- Review of cyber security and IT environment controls and implementation of upgraded anti-virus/protection software.

I would like to acknowledge the contribution made to the stewardship of the Audit, Finance and Risk Committee Report by the previous Chairman, Neil Cathels, who left the Committee in June 2020. In addition, I would like to thank all other members of the committee for their time and valuable contributions throughout the year.

Thanks to the other members of the Committee - Richard Gates (CaSPA Chair), Sue Fowler (CEO) until her departure, Tony Hill and David Gorman.

Paul Garry
Treasurer

Governance Committee Report

Vicki Davidson
Chair - Governance Committee

The purpose of the Governance Committee of the Board is to ensure the proper discharge of the organisation's legal, ethical, and functional responsibilities. It oversees the development of governance policies and other resources for approval by the Board. It meets four times per year and has a biennial work plan which includes reviewing the constitution, reviewing governance policies, ensuring compliance with all legal and regulatory requirements and evaluation of the board's performance.

This year, among other activities, the Committee has reviewed the Whistleblower Policy and Conflict of Interest Policy. The Committee is currently reviewing its approach to the evaluation of Board performance and expects this to be completed by the end of the calendar year.

It has been a year of change for the Committee. Anita Horvath, Chair of the Committee for the last three years, resigned at the end of the financial year from the Board and, hence, from the Committee. Anita made a huge contribution to the Governance Committee. As a lawyer, she had a deep understanding of legal requirements; as Chair, a great capacity to involve and listen to the views of others and, as a local resident, a long-standing commitment to CaSPA. Our thanks and best wishes go out to her.

Long time Board member Henry Blatman also resigned from the Board and, hence, from the Committee during the year. Henry was a member of the Governance Committee for eight years and was always a valued contributor. Drawing on his professional skills and broad knowledge of the Port Philip community, he was instrumental in setting the organisation's strategic direction. Board members Grant Stewart and I have now been appointed to the Governance Committee. Additionally, the committee continues to be well served by the depth and diverse experience of current members Ellie Schwab, Ian Gould, Glenn Staunton and Sue Fowler (CEO) until her departure. Rebecca Housden (HR/ Administration Manager), with her extensive knowledge of governance requirements, continues to provide great assistance to the Committee.

As our past Chair Anita said in her report last year….it is in our stakeholder's interests that CaSPA Care goes beyond mere compliance. It should also be proactive in improving policy for the organisation and, consequently, quality care for its residents.

Thanks to all committee members and staff for their valuable contributions. I look forward to us all enjoying a stimulating and productive year ahead.

Vicki Davidson

Vicki Davidson
Chair - Governance Committee

Communications and Fundraising Committee Report

Marina Johnson
Chair – Communications and Fundraising Committee

This year, more than any other, has highlighted the importance of communication.

COVID-19 has had an enormous impact globally and the challenge of responding to the pandemic has meant that we have being continually updating our policies and practices in order to keep residents safe.

In May this year we surveyed families and residents to gain a better understanding of the impact these changes were having on our community. The feedback on our communication with families revealed this was an area that needed significant improvement. As a result of this feedback we have focused on improving the timeliness and effectiveness of our communication with families so they are aware of any changes to policies or practices and have a better understanding of how their loved ones are faring during these challenging times.

In August we also appointed a part-time Communications Advisor who will undertake a review of our existing e-newsletter and website to improve these communication vehicles and identify new ways we can connect with our existing families and the Port Phillip community.

One tool that has played a key role in maintaining connections during COVID-19 visitor restrictions is virtual communication technology. Staff members have been using a range of different platforms including FaceTime, Skype, WhatsApp and Zoom to enable communication between families and their loved ones. Although a virtual visit can't replace a physical visit, it is proving invaluable for helping maintain a sense of conneciton during these challenging times.

In closing I would like to thank Susanne Sperber who stepped down from the Communications and Fundraising committee earlier this year. Susanne has been a strong advocate throughout her time on the committee and her contributions have been much valued. Thank you also to Tony Hill and Sue Fowler for their contribution and efforts throughout the year.

As we look to 2021, our focus will remain on continuing to improve our communications with our families and residents, and building stronger connections with the Port Phillip community.

Marina Johnson
Chair – Communications and Fundraising Committee



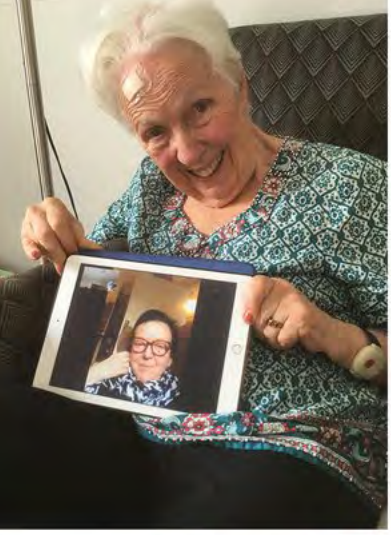





















Board of directors' report

Your Board Members present their report on the consolidated entity, being Claremont and South Port Aged Care Limited and South Port Community Residential Home Inc. ("the Group") for the financial year ended 30 June 2020.

Board Members
The names of board members for the whole of the financial year and up to the date of this report unless otherwise stated are:

Richard Gates
Antony Hill
Henry Blatman *(resigned 18 February 2020)*
Neil Cathels *(resigned 18 June 2020)*
Anita Horvath *(resigned 25 June 2020)*
Ellie Schwab
Vicki Davidson
Marina Johnson
Shainal Nathoo *(appointed 30 January 2020)*
Grant Stewart *(appointed 28 May 2020)*
Paul Garry *(appointed 25 June 2020)*

Objectives
The short-term and long-term objectives of the Group are to provide permanent and respite accommodation to the frail elderly assessed as being eligible for residential aged care.

Strategy for achieving the objectives
The Group's strategy for achieving these objectives includes:

- To continue to research and implement contemporary and best practice models of care for residents; and
- To provide high quality professional development and training for all staff.

Principal activities
The principal activities of the Group during the financial year were to provide permanent and respite accommodation and associated services to elderly citizens generally assessed as requiring care.

Performance measures
The Group measures performance through the use of both quantitative and qualitative measures. These are used by the Board and Management to assess whether the Group has achieved its short and long-term objectives.

Significant changes in activities
No significant change in the nature of these activities occurred during the year.

Significant changes in the state of affairs
In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year

Events subsequent to reporting period
In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in the Australian economy. During the year the Group put in place a range of measures to combat the impact of COVID-19. To date the Group has experienced some financial impacts. There is still significant uncertainty around the breadth and duration of business disruptions related to COVID-19. As such, the Group is unable to determine if it will have a material impact to its operations going forward.

There has not arisen in the interval between the end of the financial year and the date of this report, any additional item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

Indemnification of officers and auditors
Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

Operating results
The operating deficit for the year amounted to $697,514 (2019: deficit $64,949).

The total comprehensive deficit for the year amounted to $697,514 (2019: deficit $64,949).

The operating results have been impacted by the effects of the COVID19 pandemic that emerged in the second half of the year. Additional expenditure was incurred in several areas, including cleaning costs and purchases of PPE. There has been a slowing of incoming residents into vacant rooms, due in part to the general restrictions on people movement introduced by the Victorian government. Conversely, we also received a COVID supplement payment from the Federal Government that has helped to defray these increased costs.

The results for the year reflect a steady growth in core operating income as government funding rates increased and the number of resident days improved as facility refurbishments were concluded. Offsetting this, our operating costs have risen through the effect of EBA increases and increased staffing demands associated with managing our response to the COVID19 pandemic.

The adoption of Accounting standard AASB 16, which prescribes the treatment of Leases from 1 July 2019, resulted in significantly higher reported Finance Costs (Note 6) compared to the previous financial year. However, this was offset by a corresponding adjustment to Imputed interest income on Residential Accommodation Deposit and bond balances in Income and Revenue (Note 3).

Auditor's independence declaration
A copy of the auditor's independence declaration as required in terms of Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on the following page and forms part of this Board of Directors report.

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

Richard Gates
Director

Paul Garry
Director

24 September 2020

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Auditor's Independence Declaration

To the Directors of Claremont and South Port Aged Care Ltd

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Claremont and South Port Aged Care Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of 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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 24 September 2020

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	NOTES	2020 $	2019 $
REVENUE AND INCOME	3	19,630,013	18,085,457
EXPENSES			
Employee benefits expense	4	(14,041,387)	(13,467,121)
Depreciation expense	5	(1,388,411)	(1,307,466)
Finance costs	6	(1,921,621)	(136,344)
Medical supplies and services		(256,896)	(279,731)
Food and catering expenses		(706,577)	(721,212)
Utilities expense		(643,400)	(553,304)
Cleaning expenses		(144,432)	(83,612)
Repairs and maintenance expenses		(322,796)	(317,827)
Other expenses		(902,007)	(1,283,789)
DEFICIT BEFORE INCOME TAX EXPENSE		(697,514)	(64,949)
Income tax expense		-	-
DEFICIT AFTER INCOME TAX EXPENSE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF CLAREMONT AND SOUTH PORT AGED CARE LTD AND CONTROLLED ENTITIES		(697,514)	(64,949)
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF CLAREMONT AND SOUTH PORT AGED CARE LTD AND CONTROLLED ENTITIES		(697,514)	(64,949)

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

Consolidated statement of financial position

As at 30 June 2020

	NOTES	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	17,666,186	14,634,957
Trade and other receivables	8	83,295	286,362
Other current assets	9	167,191	127,105
Total current assets		17,916,672	15,048,424
NON-CURRENT ASSETS			
Property, plant and equipment	10	55,323,335	53,000,909
Total non-current assets		55,323,335	53,000,909
TOTAL ASSETS		73,240,007	68,049,333
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	656,543	1,073,471
Lease liabilities	21	91,808	-
Provisions	13	1,151,025	1,000,458
Other current liabilities	12	38,225,566	35,446,859
Total current liabilities		40,124,942	37,520,788
NON-CURRENT LIABILITIES			
Lease liabilities	21	3,213,719	-
Provisions	14	228,721	158,406
Total non-current liabilities		3,442,440	158,406
TOTAL LIABILITIES		43,567,382	37,679,194
NET ASSETS		29,672,625	30,370,139
EQUITY			
Reserves		17,625,154	17,625,154
Retained surpluses		12,047,471	12,744,985
TOTAL EQUITY		29,672,625	30,370,139

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

Consolidated statement of changes in equity

For the year ended 30 June 2020

	RESERVES	RETAINED PROFITS $	TOTAL EQUITY $
CONSOLIDATED			
Balance at 1 July 2018	17,625,154	12,809,934	30,435,088
Deficit after income tax expense for the year	-	(64,949)	(64,949)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive deficit for the year	-	(64,949)	(64,949)
Balance at 30 June 2019	17,625,154	12,744,985	30,370,139

	RESERVES	RETAINED PROFITS $	TOTAL EQUITY $
CONSOLIDATED			
Balance at 1 July 2019	17,625,154	12,744,985	30,370,139
Deficit after income tax expense for the year	-	(697,514)	(697,514)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive deficit for the year	-	(697,514)	(697,514)
Balance at 30 June 2020	17,625,154	12,074,471	29,672,625

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

Consolidated statement of cash flows

For the year ended 30 June 2020

	NOTES	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from residents		5,061,503	4,334,334
Payments to suppliers and employees		(17,176,697)	(16,227,604)
Receipts from the Commonwealth Department of Health		12,608,379	12,788,916
		493,185	895,646
Interest received		442,725	759,989
Interest and other finance costs paid		(116,361)	(136,344)
Net cash from operating activities	16	819,549	1,519,291
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	10	(333,094)	(178,849)
Net cash used in investing activities		(333,094)	(178,849)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in RADs		2,747,274	(135,811)
Lease payments		(202,500)	-
Net cash from/(used in) financing activities		2,544,774	(135,811)
Net increase in cash and cash equivalents		3,031,229	1,204,631
Cash and cash equivalents at the beginning of the financial year		14,634,957	13,430,326
Cash and cash equivalents at the end of the financial year	7	17,666,186	14,634,957

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

Notes to the consolidated financial statements

30 June 2020

NOTE 1.
SIGNIFICANT ACCOUNTING POLICIES

General Information
The financial statements include the consolidated financial statements and notes of the Group, being Claremont and South Port Aged Care Limited and South Port Community Residential Home Inc. ('the Group'). The operations of these entities have been conducted at the locations of Emerald Hill Residence and South Port Community Residential Home. Claremont and South Port Aged Care Limited is a not-for-profit unlisted public company limited by guarantee and South Port Community Residential Home Inc. is an Incorporated Association. The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The consolidated financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 24 September 2020.

Basis of preparation
The consolidated financial statements are general purpose financial statements, prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-Profits Commission Act 2012 and associated regulations as appropriate for not-for-profit oriented entities.

Subsidiaries
The consolidated financial statements include the parent company and its controlled entities.

Entities under the control of Claremont and South Port Aged Care Limited are:
South Port Community Residential Home Inc.

Controlled entities are all entities over which the Group has management control. Claremont and South Port Aged Care Limited is governed by a Board of Directors. South Port Community Residential Home Inc. has a Committee of Management. Both the Board of Directors and Committee of Management share common members for continuity. Accordingly, Claremont and South Port Aged Care Limited is able to govern the financial and operating policies by virtue of control. As management deems that Claremont and South Port Aged Care Limited has control of South Port Community Residential Home Inc., this entity has been included in the consolidated financial statements.

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

New, revised or amending Accounting Standards and Interpretations adopted
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities
The Group has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer

received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 16 Leases
The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group has elected to use the Modified Retrospective method Option 2. The lease liability was measured at the present value of the remaining lease payments discounted and the right of use asset was equal to the lease liability plus/minus any prepaid or accrued payments. The cumulative effect of the above has had $nil impact on opening retained earnings.

Revenue and Income
Government subsidies
Government subsidies are recognised as revenue over time as services are provided. Funding claims are submitted/updated daily and Government subsidies are usually payable within approximately one month of services having been performed.

Resident and client fees
Resident and client fee revenue is recognised over time as performance obligations are satisfied, which is as the services are provided. Fees received in advance of services being performed are recognised as contract liabilities.
Bond retention fees
Prior to adoption of AASB 15, bond retention fees payable by an aged care resident were recognised over the period of tenure of up to a maximum of five years, in line with the legislated period for charging such fees.

Under AASB 15, bond retention fees are recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data. The unearned revenue is recognised as contract liabilities.

Donations and bequests
Donation and bequest income is recognised when the Group gains control of the funds and when the funds provided do not give rise to an obligation.

Grant income without sufficiently specific and enforceable performance obligations
Grant funds received by the Group that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.

Grant revenue with sufficiently specific and enforceable performance obligations
Grant funds received by the Group that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Company satisfies its performance obligations.

Interest Income
Interest income is recognised on an accrual basis using the effective interest method.

Income tax
As the group is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated Statement of Financial Position.

Recognition, initial measurement and derecognition of financial assets and financial liabilities
Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
• amortised cost
• fair value through profit or loss (FVPL)
• equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments that were previously classified as loans and receivables under AASB 139.
The Group does not have any financial instrument in the categories of FVPL or FVTOCI.

Impairment of financial assets
Impairment of financial assets AASB 9's new forward-looking impairment model applies to the Group's trade receivables. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets
The Group uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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

Property
Land and buildings are shown at their fair value based on valuations by external independent valuers periodically and Director Valuations in intervening periods.
Increases in the carrying amount not arising on revaluation of land and buildings are in periods when the freehold land and buildings have not been subject to an independent valuation. The directors review the carrying value to ensure the carrying amount for the land and buildings is not materially different to the fair value.
Revaluation increases are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation reserve. all other decreases are recognised in profit or loss.
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.
Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Capital Work in Progress/Project Developments
Project developments are shown at cost and are not depreciated until such time as work is completed and the Project development is fit for use. When capital work is complete the asset is transferred to Property, Plant and Equipment.

Plant and equipment
Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than

its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognized either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognized 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 lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	2% - 2.5%
Furniture and fittings	10%
Plant and equipment	10% - 20%
Computer equipment	10% - 33%
Motor vehicles	8.33%

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

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

Leases
Leases in which the Company is a lessee
The Group has two property leases. Lease terms are negotiated on an individual basis and contain different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2020 financial year the property leases were classified as operating leases. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group. Payments associated with all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Leases in which the Company is a lessor
Contracts with residents includes provisions for room details, fees, charges and payments. The company has concluded that its accommodation arrangements relating to the provision of residential aged care and retirement living accommodation contains a lease, being the exclusive right to the use of an identified room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a Refundable Accommodation Deposit (RAD) or bond (prior to July 2014), the company receives a financing benefit, being non-cash consideration, in the form of an interest free loan. The fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs and bonds) and corresponding interest expense (to record the financial liability associated with RADs and bonds at fair value) with no net impact on profit or loss.

This is calculated based on average RAD / accommodation bond balances, excluding any RADs/accommodation bonds awaiting refund/probate and the Maximum Permissible Interest Rate (MPIR), which is a Commonwealth Government set interest rate used to calculate the Daily Accommodation Payment (DAP) to applicable residents.

The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB 16.

In accordance with AASB 16, a lessor is not required to make any adjustments on transition for leases in which it is a lessor and shall account for those leases applying AASB 16 from the date of initial application date, being 1 July 2019.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Trade and other payables
Trade and other payables represent the liabilities for goods and services received by the Group during the reporting period that remain unpaid at the end of the reporting period. The balance is recognized as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Provisions
Provisions are recognised when the Group 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.

Employee benefits
Provision is made for the Group'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the net 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred. Annual leave that is not expected to be wholly settled within 12 months is discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Economic dependence
Claremont and South Port Aged Care Limited 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 Board of Directors has no reason to believe the Department will not continue to support Claremont and South Port Aged Care Limited and South Port Community Residential Home Inc.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability,

assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and services tax ('GST')
Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated Statement of Financial Position.

Cash flows are presented on a gross basis in the consolidated Statement of Cash Flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Working capital deficiency
The consolidated Statement of Financial Position shows a deficit in working capital at 30 June 2020 of $22,208,270. Current liabilities include resident funded loans in the form of refundable accommodation deposits' (RADs) totaling $38,093,773, which are repayable at call, subject to applicable conditions.

Historical turnover statistics indicate that only a small percentage of resident funded loans are likely to be required to be repaid within the next twelve months.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimate of fair value of property
The entity has completed development of 203 Napier Street, South Melbourne known as the Emerald Hill residence with a building carrying value of approximately $34.7 million, representing the fair value at the reporting date.

Fair value has been determined by an independent external valuation of the property at 30 June 2016. The value of the property at 30 June 2016 was assessed by taking into account factors and market conditions evident at reporting date. The valuation was performed on the highest and best value basis in accordance with AASB 13 Fair value measurement.

Changes in market conditions in the future may impact the fair value in the future.

At current reporting date, the directors have determined a directors' valuation to assess fair value at 30 June 2020. Utilizing assumptions and information for prior valuations, they do not believe any material changes to have occurred which would materially impact the fair value.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Right of use assets and lease liabilities
In applying AASB 16, the Company has made the following judgements.

In determining the lease term used to ascertain total future lease payments, the Company considers all facts and circumstances that create an economic benefit to exercise an extension option. Renewal options are only considered to be part of the lease term if the lease is reasonably certain to be extended. The Company has included renewal periods as part of the lease term for all leases it is reasonably certain will be extended.

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to calculate the present value of future lease payments. The IBR is the interest rate that the Company would have to pay to borrow over a similar term of each lease. To determine the IBR, the Company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- Makes adjustments specific to the lease, e.g. term and security.

	2020 $	2019 $
NOTE 3. REVENUE AND INCOME		
Government subsidies from Department of Health	10,582,023	10,649,868
Resident fees	6,297,801	6,108,751
Donations	1,612	12,102
Interest and dividends received	442,725	759,991
Rent	318,510	226,778
Sundry income	298,518	327,967
Inputed interest income on RAD and bond balances	1,688,824	-
	19,630,013	18,085,457
NOTE 4. EMPLOYEE BENEFITS EXPENSE		
Wages and salaries and associated expenses	12,910,373	12,353,158
Superannuation	1,131,014	1,113,963
	14,041,387	13,467,121
NOTE 5. DEPRECIATION EXPENSE		
Plant and equipment	72,013	101,150
Buildings	794,360	802,104
Furniture and fittings	171,335	178,191
Motor vehicles	8,012	6,428
Computer equipment	31,825	69,593
Leasehold land	150,000	150,000
Right-of-use asset	160,866	-
	1,388,411	1,307,466
NOTE 6. FINANCE COSTS		
Interest on Bond Refunds	116,361	136,344
Interest expense on leases under AASB 16	116,436	-
Inputed interest expense on RAD and bond balances under AASB 16	1,688,824	-
	1,921,621	136,344
NOTE 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank	17,666,186	14,634,957
NOTE 8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Trade receivables	58,943	67,258
Less: Allowance for expected credit losses	(30,000)	(30,000)
	28,943	37,258
Commonwealth funding clearing account	54,352	249,104
	83,295	286,362
NOTE 9. CURRENT ASSETS - OTHER CURRENT ASSETS		
Prepayments	103,689	115,938
GST receivable	52,870	11,167
Other current assets	10,632	-
	167,191	127,105

	2020 $	2019 $

NOTE 10.
NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Land - at fair value (Albert Road & Clarendon Street)	12,580,000	12,580,000
Buildings at fair value (Napier Street, Albert Road & Clarendon Street)	41,867,885	41,777,888
Less: Accumulated depreciation	(3,843,361)	(2,899,001)
	38,024,524	38,878,887
Plant and equipment - at cost	890,135	856,578
Less: Accumulated depreciation	(646,972)	(574,959)
	243,163	281,619
Furniture and fittings - at cost	1,945,369	1,900,496
Less: Accumulated depreciation	(924,427)	(753,092)
	1,020,942	1,147,404
Motor vehicles - at cost	98,229	95,769
Less: Accumulated depreciation	(23,572)	(15,560)
	74,657	80,209
Computer equipment - at cost	450,875	302,516
Less: Accumulated depreciation	(301,551)	(269,726)
	149,324	32,790
Right-of-use asset - at cost	3,391,591	-
Less: Accumulated depreciation	(160,866)	-
	3,230,725	-
	55,323,335	53,000,909

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

CONSOLIDATED	LAND $	BUILDING & LEASEHOLD IMPROVE-MENTS $	COMPUTER EQUIPMENT $	MOTOR VEHICLES $	FURNITURE & FITTINGS $	PLANT & EQUIPMENT $	RIGHT-OF-USE ASSET $	TOTAL $
Balance at 1 July 2019	12,580,000	38,878,887	32,790	80,209	1,147,404	281,619	-	53,000,909
Recognised at 1 July 2019 on transition to AASB 16	-	-	-	-	-	-	3,391,591	3,391,591
Additions	-	89,997	148,359	2,460	58,613	33,665	-	333,094
Disposals	-	-	-	-	(13,740)	(108)	-	(13,848)
Depreciation expense	-	(944,360)	(31,825)	(8,012)	(171,335)	(72,013)	(160,866)	(1,388,411)
Balance at 30 June 2020	12,580,000	38,024,524	149,324	74,657	1,020,942	243,163	3,230,725	55,323,335

	2020 $	2019 $

NOTE 11.
CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	330,993	261,125
Accruals	95,113	290,805
Payroll accruals	143,588	521,541
Other payables	86,849	-
	656,543	1,073,471

	2020 $	2019 $

NOTE 12.
CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Resident bonds and refundable accommodation deposits	38,093,773	35,346,499
Other current liabilities	131,793	100,360
	38,225,566	35,446,859

NOTE 13.
CURRENT LIABILITIES - PROVISIONS

Annual leave	1,016,364	883,841
Long service leave	134,661	116,617
	1,151,025	1,000,458

NOTE 14.
NON-CURRENT LIABILITIES - PROVISIONS

Long service leave	228,721	158,406

NOTE 15.
KEY MANAGEMENT PERSONNEL

Compensation
The aggregate compensation made to board of directors and other members of key management personnel of the group is set out below:

Aggregate compensation	576,545	475,215

NOTE 16.
CASH FLOW INFORMATION

Operating surplus (deficit)	(697,514)	(64,949)
Interest under AASB 16	116,436	-
Depreciation	1,388,411	1,307,466
Loss on sale of assets	13,848	-
Trade payables and accruals	(402,134)	296,364
Receivables and prepayments	(219,706)	(269,798)
Other assets	(40,086)	15,580
Provisions	220,882	182,628
Other liabilities	-	52,000
Net cash from operating activities	819,549	1,519,291
Cash at bank	17,666,186	14,634,957

NOTE 17.
LOW-VALUE LEASE COMMITMENTS

The Group has an ongoing lease commitment in relation to the property at 18-30 Richardson Street, Albert Park VIC 3206 for $1 per annum

NOTE 18.
RELATED PARTY TRANSACTIONS

Key management personnel
Disclosures relating to key management personnel are set out in note 15.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

NOTE 19.
EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in the Australian economy. During the year the Group put in place a range of measures to combat the impact of COVID-19. To date the Group has experienced some financial impacts. There is still significant uncertainty around the breadth and duration of business disruptions related to COVID-19. As such, the Group is unable to determine if it will have a material impact to its operations going forward.

There has not arisen in the interval between the end of the financial year and the date of this report, any additional item, transaction or event of material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

NOTE 20.
GROUP DETAILS

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

Emerald Hill Residence
203 Napier Street
South Melbourne VIC 3205

South Port Community Residential Home
18-30 Richardson Street
Albert Park VIC 3206

	$
NOTE 21. LEASE LIABILITIES	
Reconciliation of operating lease commitments to lease liabilities	
Operating lease commitments disclosed at 30 June 2019	4,200,000
Discounted using the lessee's incremental borrowing rate at the date of initial application	(1,211,266)
Add: adjustments relating to changes in the index or rate affecting variable payments	402,857
	3,391,591
Lease liabilities recognised at 1 July 2019	
Current lease liabilities	86,064
Non-Current lease liabilities	3,305,527
	3,391,591
Lease liabilities at 30 June 2020	
Current	91,808
Non-Current	3,213,719
	3,305,527

NOTE 22.
CONTINGENT LIABILITIES

The Group utilises casual employees to augment the permanent staff complement where short-term needs arise. In view of a recent court case relating to casual employees, we are conducting analysis of the particular facts behind these rulings to determine whether there are similarities to our own casual employee work conditions and practices. Once this assessment is completed, we will be able to determine if the situation at CaSPA Care has any significant similarities with the case facts and therefore whether any liability exists for further casual employee payments. This is a contingent liability as at the date of issuing the financial report when the necessary detailed analysis had not been finalised.

Board of directors' declaration

30 June 2020

In the opinion of the Directors of Claremont and South Port Aged Care Limited:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Richard Gates
Director

Paul Garry
Director

24 September 2020

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Independent Auditor's Report

To the Members of Claremont and South Port Aged Care Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Claremont and South Port Aged Care Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Claremont and South Port Aged Care Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance and cash flows for the year then ended; and

b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's Directors' report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements the Australian Charities and Not-for-profits Commissions Act 2012. This responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group'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 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 this financial report.

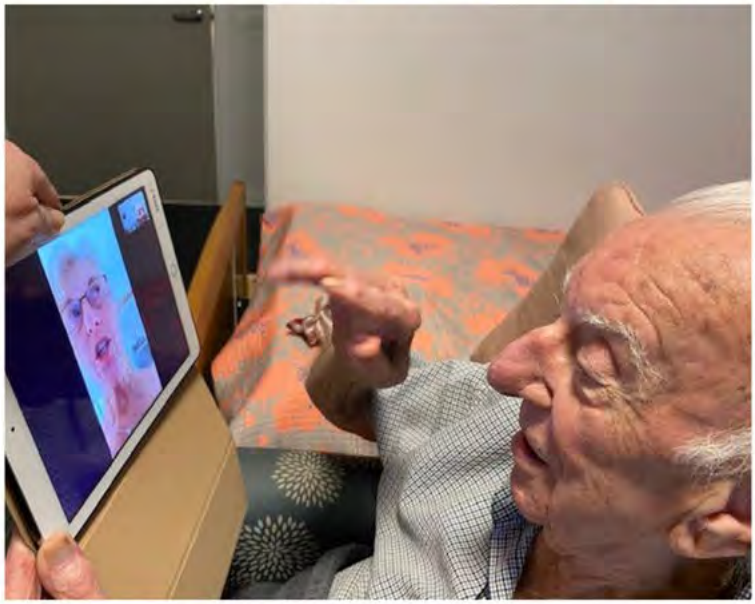
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdfn. This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 24 September 2020


FIRE SAFETY DOOR

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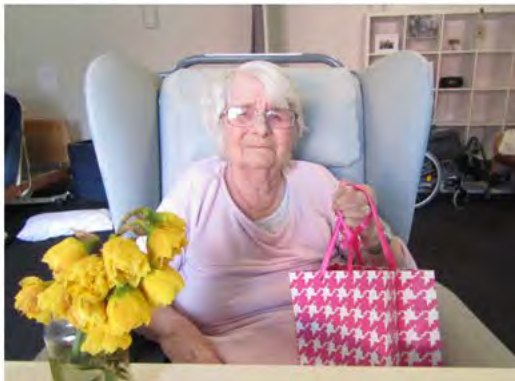










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