

2021/2022 Claremont & Southport Aged Care Limited Annual Report

For the year ending 30 June 2022





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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, 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,
Board Chair



Wesley Smith,
CEO



The 2022 financial year has presented enormous challenges arising from the COVID-19 pandemic.

Inevitably there have been adverse consequences including staff shortages with our dedicated staff continuing to step up and work longer hours for which we are most grateful.

Also, the pandemic has created anxiety amongst our residents and their relatives – thankfully all of whom have shown much resilience.

As a result, occupancy levels have softened which has significantly affected CaSPA Care's financial performance in the current year. South Port's occupancy has been particularly disappointing, and we have some work to do before South Port returns to an acceptable occupancy level.

Currently vaccinations, antivirals and other infection prevention controls have brought us to a point where recent COVID positive cases have experienced significantly reduced severity of the illness. Let's hope that this lesser disease impact can continue.

Notwithstanding the improved COVID-19 outlook and reduced restrictions, rest assured that the Board and the leadership team have as the highest priority the continuing protection of the health, wellbeing and safety of our residents, family, and employees.

Over the next few years, residential aged care will experience significant reforms including:

- The removal of bed licences as of 1 July 2024
- The implementation on 1 October 2022 of a new funding model (AN-ACC) which will determine the care subsidy for each resident. At this juncture we have some confidence that AN-ACC will see CaSPA Care's government revenue increase. This will be critical to the future financial sustainability of CaSPA Care.
- A star rating system to be published will commence in December 2022. It will provide an overall performance rating of residential care facilities based on four criteria -customer experience, compliance, quality indicators and care staff minutes.
- A new independent pricing authority commencing June 2023 will assume responsibility for reviewing the cost of care. Hopefully future cost review outcomes will be more fit for purpose as the last 4 years has seen costs increase at double the government funding increases. This margin squeeze has materially affected the financial performance of all aged care providers
- Care minutes to be enforced with effect from 1 October 2023 – 200 minutes of care per day per resident to be delivered including 40 minutes of Registered Nurse time. We are well placed relative to other operators to meet this requirement.
- We continue to invest in our workforce and leadership team. We have established a regular Leadership Rounding initiative which focusses on staff feedback encouraging ideas and improvements – staff continue to respond positively as they are heard, and improvements acted on. Also we have invested in our key management who have undertaken Leadership training during the year.

Our Board of Directors

We would like to acknowledge the retirement of Grant Stewart. Grant began volunteering at CaSPA Care and joined the Board in 2020. Grant assisted greatly during the COVID outbreak and lead the Communications and Community Engagement Committee. We thank Grant for his expertise and commitment to CaSPA Care. Sarah Conron was appointed to fill the casual vacancy and is a member of the Governance Committee.

Our Volunteers

We were fortunate to welcome our volunteers on-site, and their presence was felt far and wide. Our volunteers are a welcome and vital part of the CaSPA Care family, and we want to extend our thanks to all our volunteers who have supported us during this immensely difficult time.

We want to thank and acknowledge the community volunteers who sit on the Board's subcommittees: Audit, Finance & Risk: David Gorman, Governance: Glenn Staunton and Judith Klepner; Clinical Governance: Liz Robson, Beris Campbell, Louise Greene, Gillian Wood, and Dr Graeme Mulvey.



Milestones

5 Years' Service:

- Naima Abubakar
- Laxmi Acharya
- Lensa Adem
- Manpreet Bal
- Liezel Cepeda
- Tai Chaopramong
- Jodie Fullick
- Alganesh Gebreyesus
- Anima Ghimire Shrestha
- Nita Innes
- Thinley Jigme
- Sonia Kapoor
- Proscovia Nakasayi Kikonyogo
- Mahesh Kshetri
- Patricia Marroquin
- Bezuayehu Melka

10 Years' Service:

- Almaz Ashagre
- Jordan Jakar
- Martina Oseghale
- Sanju Rai Hamal
- Ana Ramos
- Selvina Ramsamy
- Linda Strick
- Tommy Veselinovich

15 Years' Service

- Eric Lennon

20 Years' Service

- Senait Woldegiorgis

Treasurer's Report

Paul Garry, Treasurer



2021/22 has been another challenging year for CaSPA Care, which has had to deal with the continuing difficulties arising from the ongoing Covid pandemic.

The Covid 19 pandemic continued to pose many challenges during the year, which have adversely impacted the financial results and total equity position.

The operating results for the year reflected a number of significant non-recurring items, including Covid-specific funding from government of \$400k, which was more than absorbed by Covid-induced impacts and related additional items of expenditure.

The net operating position for the year before depreciation was a deficit of \$(1.1)m, which was increased from the prior year deficit of \$(0.5)m. The decline in the year reflected increased staffing costs due to EBA changes, increases in staffing requirements and other expenditure required to deal with the COVID-19 pandemic. In addition, repeated Covid-mandated lockdowns at both facilities meant that occupancy levels could not be maintained at pre-pandemic levels, which negatively impacted government funding and fee revenue throughout the year. The repeated closure of the Lionshare Café on every occasion the Emerald Hill facility was in lockdown, also dampened revenue.

After depreciation, the total deficit for the year was \$(2.5)m compared to the 2021 deficit of \$(1.9)m, which saw the overall equity level decline from \$27.8m to \$25.3m.

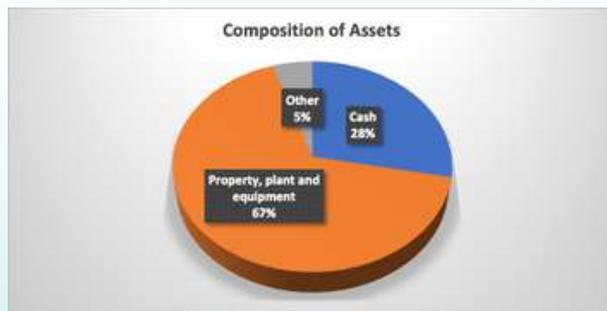
Despite another difficult year, the Group has maintained a stable financial position. The mix of assets and liabilities has remained relatively constant, although cash and equivalent balances held at year end have risen by \$3.0m, reflecting increased balances of Refundable Accommodation Deposits held in term deposits.

Cash and equivalent balances now represent 28% as a proportion of our total asset base, with non-current property and equipment continuing to represent our largest class of asset.

Preparation has been undertaken to update our systems to accommodate the new government funding model (AN-ACC), which was introduced on 1 October 2022. Based on our current resident profile and related financial projections, it is anticipated that our top revenue line will improve significantly with the introduction of the AN-ACC funding regime. This will somewhat subsidise increasing staffing costs and other care expenses and we expect this will enable operations to return to a financially sustainable position.

I would like to sincerely thank our staff and volunteers across CaSPA Care for their tireless efforts over the past year in contending with the impact of frequent lockdowns. I would also like to thank the Finance Department, led by our Chief Financial Officer, Thuy Huynh-Reilly, who has shown relentless commitment to delivering first class reporting and analysis in the face of the additional demands generated by the pandemic.

I also extend thanks to the members of the Audit, Finance and Risk Committee for their time and valuable contributions throughout the year. The current members of the AFR Committee are Paul Garry (Chair), Richard Gates (CaSPA Chair), Craig Bosworth and David Gorman.



Governance Committee Report

Vicki Davidson, Chair- Governance Committee



The purpose of the Governance Committee of the CaSPA Care 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 Diversity and Inclusion Policy, and Voluntary Assisted Dying Policy. Earlier in the year the Board had a Strategic Planning Day and undertook a Board evaluation.

During the year we welcomed Judith Klepner as a Community Representative. Judith was previously a councillor at City of Port Phillip and comes to the committee with extensive community health board experience and leadership, corporate governance, and clinical governance expertise.

Over the coming 12 months, the Committee will prepare for the introduction of new Commonwealth Government requirements based on the findings of the Aged Care Royal Commission. These include the establishment of a Quality Care Advisory Committee.

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



Clinical Governance Committee Report

Dr Shainal Nathoo, Chair- Clinical Governance Committee



The care delivered to our residents has always been our highest priority. The Clinical Governance Committee has continued to focus on ensuring CaSPA Care provides our residents with the best care and quality of life.

Once again, our year has been drastically affected by Covid-19, and the aged care system has borne the brunt of lockdowns and illness across Victoria, with many providers experiencing outbreaks in facilities; a highlight this year has been the ability to enable families to visit residents during an outbreak, we are proud we have been able to allow relatives to spend very important time with loved ones.

We thank our CaSPA Care community, who have supported us in respecting the many tough decisions we made during these unprecedented times. Our staff, the frontline workers of the pandemic, have continued to provide exceptional care to our residents.

While facing challenges, we have continued focusing on innovation and improving our care. We welcomed Gillian Wood in October 2021 to our Clinical Governance Committee, who adds significant experience as a medical microbiologist. Gillian's expertise in infection control and experience in all aspects of developing, implementing, and monitoring the principles and practices of infection control programs and their effectiveness added additional oversight to our Covid-19 response plans and preparedness.

This year we have run an onsite vaccination clinic and have established a partnership with a local GP clinic to deliver vaccinations. We have adopted the Moving on Audits (MOA) to measure our clinical performance against industry standards, where we have constantly performed at or above the top-performing organisations. We continue to work on initiatives and projects to enhance further the care delivered by our exceptionally hard-working and dedicated staff.

We have redesigned our Clinical Governance reporting, applied best practice care on High Impact prevalence risk, and established new quality vision boards for all our staff to ensure they stay well informed of our current and changing resident needs.

Some additional highlights we have made over the last year:

- developed a clinical risk profile of CaSPA Care to ensure our staff, leadership and board are informed of our top clinical risks
- leadership rounding to ensure our staff have a voice to raise concerns to our leadership team
- implemented Zipline check-in to monitor temperature and ensure we have a record of those entering our facility for contact tracing
- we conducted reviews on our Covid-19 outbreak management and refined the way we work, and went through several departments of health and commonwealth infection control compliance reviews, which found little or no improvement requirements
- purchased our own air filters to circulate across our homes during an outbreak
- as a result of our onsite vaccination hub, Covid-19 and Flu vaccinations uptake was high for resident and staff vaccinations rates
- we engaged in the National Antimicrobial Stewardship Survey to help reduce prescribing of antibiotics
- we provided families with the "Partnerships in Care" documents, a project by Aged Care Quality and Safety Commission (ACQSC), focusing on infection control and standardised procedures to follow when visiting an aged care facility.

Clinical Governance Committee Report (cont.)

Clinical Governance remains a dominant priority for CaSPA Care, and the care provided to our residents has remained at the highest quality.

This year, we have continued to utilise our Clinical Reference Group comprising our senior clinical staff responsible for clinical management. The Clinical Reference Group reports directly to the Clinical Governance Committee and has been shown to add a layer of rigour to the analysis of clinical data and clinical oversight.

Thank you to our dedicated staff, that despite the hardships we have faced this year, have once again ensured that the highest quality of care has been delivered to our residents.

Thank you to our CEO (Wesley Smith and Frances Mirabelli), Maricar Carew (Director of Nursing), Cindy Tiangco (Quality Manager) and to our committee members - Beris Campbell, Louise Greene, Liz Robson, Gillian Wood and Graeme Mulvey, who have ensured that CaSPA has been able to uphold sound Clinical Governance throughout a challenging year.





Claremont & Southport Aged Care Limited and Controlled Entity

ABN 53 142 425 527

Financial Report - 30 June 2022

Director's Report

The parent entity, Claremont & Southport Aged Care Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the Australian Charities and Not-for-profits Commission Act 2012. The Directors present the financial report on the parent entity and its controlled entity, South Port Community Residential Home Inc, which are together referred to in this report as the group, for the year ended 30 June 2022 and report as follows:

Directors

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

Richard Gates
 Antony Hill
 Ellie Schwab (*resigned November 2021*)
 Vicki Davidson
 Shainal Nathoo
 Grant Stewart
 Paul Garry
 Craig Bosworth (*appointed October 2021*)
 Todd Solomon (*appointed October 2021*)

Principal Activities

The principal activities of the group during the course of the financial year were to provide permanent and respite accommodation and associated services to elderly citizens generally assessed as requiring care. There were no significant changes in the nature of the group's principal activities during the financial year.

Operating Result

The operating deficit for the year amounted to \$2,488,131 (2021: deficit \$1,900,363). The COVID-19 outbreak has continued to cause disruption to economic activities across Australia, particularly in aged care services and, as was the case in the prior year, our operating results have been significantly impacted by the pandemic.

Both the Emerald Hill and South Port residences were repeatedly required to implement lockdowns throughout the financial year and, consequently, there was a slowing of incoming residents into vacant rooms resulting in generally lower occupancy rates. As government funding increased, results for the year reflect a slight increase in core operating income, while our operating costs have risen through the effect of EBA increases and increased staffing demands associated with managing our response to the COVID-19 pandemic. Additional expenditure was also incurred in many areas, including cleaning costs, PPE purchases and repairs and maintenance in ensuring that we continue to provide excellent care to our residents. Importantly, we also received COVID supplement payment from the Federal Government that has helped to defray these increased costs.

CaSPA Care has recorded all additional government funding, and costs associated with COVID-19, for the year ended 30 June 2022 in the financial statements. As the situation remains fluid due to evolving changes in government policy and ongoing COVID-19 cases across Victoria, the directors consider that the impact of COVID-19 on the financial statements cannot be reasonably estimated for future periods. We continue to monitor the developments, including any requirements imposed by both the Australian and Victorian Governments and the impact on operations.

Based on our current resident profile and related financial projections, we are confident that our top revenue line will improve significantly with the introduction of the new government AN-ACC funding model in October 2022. We believe this will enable operations to return to a financially sustainable position.

Objectives

The short 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.

Claremont & Southport Aged Care Limited and Controlled Entity Financial Report - 30 June 2022 Director's Report

Strategy

The group's strategy for achieving these objectives include:

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

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.

Meetings of Directors

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	Eligible	Attended
Richard Gates	11	11
Antony Hill	11	9
Ellie Schwab**	4	4
Vicki Davidson	11	9
Shainal Nathoo	11	11
Grant Stewart	11	9
Paul Garry	11	9
Craig Bosworth*	8	7
Todd Solomon*	8	7

*appointed during the year

**resigned during the year

Events occurring after balance date

Other than the possible effects of the matter referred to in Note 22 of the financial statements, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Auditor's Independence Declaration

The auditors' independence declaration for the year ended 30 June 2022 has been received and can be found on the following page.

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



Richard Gates
Director



Paul Garry
Director

Melbourne, 27 October 2022

CHARTERED ACCOUNTANTS

CLAREMONT & SOUTHPORT AGED CARE LIMITED
AND CONTROLLED ENTITY
ABN 53 142 425 527

FINANCIAL REPORT - 30 JUNE 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER s60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE MEMBERS OF CLAREMONT & SOUTHPORT AGED CARE LIMITED
AND CONTROLLED ENTITY

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

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



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

27 October 2022

Claremont & Southport Aged Care Limited and Controlled Entity ABN 53 142 425 527

Statement of Financial Position
as at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	6	21,015,598	18,201,963
Trade and other receivables	7	945,209	272,122
Capital work in progress	8	241,872	212,741
Property, plant, and equipment	9	49,929,575	51,064,212
Right-of-use-assets	10	2,587,309	2,730,386
Total Assets		<u>74,719,563</u>	<u>72,484,424</u>
Liabilities			
Trade and other payables	11	1,772,186	1,206,054
Refundable loans expected to be paid within 12 months	12	12,955,375	11,730,710
Employee benefits expected to be paid within 12 months	13	1,539,508	1,358,963
Lease liabilities expected to be paid within 12 months	14	109,379	105,622
Refundable loans expected to be paid after 12 months	12	30,229,207	27,371,657
Employee benefits expected to be paid after 12 months	13	228,721	228,721
Lease liabilities expected to be paid later 12 months	14	2,601,054	2,710,433
Total Liabilities		<u>49,435,430</u>	<u>44,712,160</u>
Net Assets		<u>25,284,133</u>	<u>27,772,264</u>
Funds			
Accumulated funds		7,658,979	10,147,110
Reserves		17,625,154	17,625,154
Total Funds		<u>25,284,133</u>	<u>27,772,264</u>

Claremont & Southport Aged Care Limited and Controlled Entity

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	17,485,099	17,781,833
Other income	4	303,649	336,686
		<u>17,788,748</u>	<u>18,118,519</u>
Expenses			
Administration and other expenses		(1,415,680)	(1,174,645)
Catering and food supplies		(723,056)	(788,822)
Cleaning and laundry expenses		(845,454)	(808,697)
Depreciation and amortisation	5	(1,434,554)	(1,393,330)
Finance costs	5	(233,609)	(166,469)
Repairs and maintenance		(565,588)	(533,875)
Resident and client expenses		(349,073)	(328,129)
Salaries and employee benefits		(14,243,459)	(14,294,147)
Utilities		(466,406)	(530,765)
		<u>(20,276,879)</u>	<u>(20,018,879)</u>
Surplus (deficit) before income tax		(2,488,131)	(1,900,360)
Income tax expense		-	-
Surplus (deficit) for the year		(2,488,131)	(1,900,360)
Other comprehensive income for the year		-	-
Total comprehensive income (loss) for the year		<u>(2,488,131)</u>	<u>(1,900,360)</u>

Claremont & Southport Aged Care Limited and Controlled Entity

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Accumulated Funds	Asset Revaluation Reserve	Total
		\$	\$
Consolidated Entity			
Balance at 1 July 2020	12,047,470	17,625,154	29,672,624
Comprehensive income			
Surplus (deficit) for the year	(1,900,360)	-	(1,900,360)
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	(1,900,360)	-	(1,900,360)
Balance at 30 June 2021	10,147,110	17,625,154	27,772,264
Balance at 1 July 2021	10,147,110	17,625,154	27,772,264
Comprehensive income			
Surplus (deficit) for the year	(2,488,131)	-	(2,488,131)
Other comprehensive income	-	-	-
Total comprehensive income (loss) for the year	(2,488,131)	-	(2,488,131)
Balance at 30 June 2022	7,658,979	17,625,154	25,284,133

Claremont & Southport Aged Care Limited and Controlled Entity

Statement of Cash Flows for the year ended 30 June 2022

Consolidated Entity		
Note	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from customers and government	17,028,008	20,806,432
Payments to suppliers and employees	(18,152,920)	(21,136,402)
Donations received	12,354	34,069
Finance income received	303,641	336,686
Interest paid - leases	(96,878)	(88,079)
Interest paid - other	(136,731)	(78,390)
<i>Net cash flows from operating activities</i>	<u>(1,042,526)</u>	<u>(125,684)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,000	-
Purchase of capital work in progress – other	(29,131)	-
Purchase of property, plant and equipment - residential	(157,832)	(452,383)
<i>Net cash flows from investing activities</i>	<u>(185,963)</u>	<u>(452,383)</u>
Cash flows from financing activities		
Proceeds from refundable accommodation deposits	14,237,776	10,178,171
Repayment of refundable accommodation deposits	(10,090,030)	(8,949,906)
Repayment of lease liabilities	(105,622)	(114,421)
<i>Net cash flows from financing activities</i>	<u>4,042,124</u>	<u>1,113,844</u>
Net increase in cash and cash equivalents	2,813,635	535,777
Cash and cash equivalents at the beginning of the financial year	<u>18,201,963</u>	<u>17,666,186</u>
Cash and cash equivalents at the beginning of the financial year	6 <u>21,015,598</u>	<u>18,201,963</u>

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 1 - Corporate information

This financial report includes the consolidated financial statements and notes of Claremont & Southport Aged Care Limited and its controlled entity (group). The separate financial statements and notes of Claremont & Southport Aged Care Limited as an individual parent entity (parent entity) have not been presented within this financial report as permitted by the *Australian Charities and Not-for-profits Commission*.

The group provides aged care accommodation and care services to aged persons.

The registered address and principal place of business of the group is:

203 Napier Street
South Melbourne VIC 3205

The financial statements were approved by the Board of Directors on 27 October 2022.

Note 2 - Basis of preparation

Statement of compliance

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The group is a not-for-profit entity for the purposes of preparing these financial statements.

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has had no significant impact on the financial statements because the group's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

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

Key estimates

Impairment - general

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

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2022 reporting period. These include:

- AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective for the year ending 30 June 2022)
- AASB 2020-2: *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* (effective for the year ended 30 June 2022)

AASB 1060 and AASB 2020-2 act to mandate that the group prepare a general purpose financial report under a new Simplified Disclosure Standard. The application of AASB 1060 and AASB 2020-2 have not had a material impact on the carrying values of the group's asset, liability or equity balances; nor a material impact on the recognition and measurement of the group's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the group. These include:

- AASB 2020-1: *Amendments to AASs - Classification of Liabilities as Current or Non-current* (effective for the year ending 30 June 2024)
- AASB 2021-2: *Amendments to AASs - Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1 or AASB 2021-2 will have a material impact on the group in future reporting periods.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds, refundable accommodation deposits and entry contributions) as current liabilities does not reflect the true liquidity of the group as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (*AASB 101 Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

Segment reporting

The group delivers only residential aged care services, and this general-purpose financial report therefore relates only to such operations.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of Consolidation

The controlled entity is consolidated with Claremont and South Port Aged Care Limited as the parent entity as it has the capacity to dominate the decision making of the entity and the consolidated entity operates for the benefit of the parent entity. All inter-group balances and transactions have been eliminated or consolidated.

The financial statements of the subsidiary are prepared using accounting policies consistent with those used by the parent entity.

Income tax

Claremont & Southport Aged Care Limited is a not-for-profit exempt institution from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Claremont & Southport Aged Care Limited has deductible gift recipient (DGR) status.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 3 - Significant accounting policies (continued)

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 (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 statement of financial position.

Cash flows are presented on a gross basis. 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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the group obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the group; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accrual's basis.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 3 - Significant accounting policies (continued)

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated funds.

Subsequent costs

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Property

Land and buildings are carried at cost or fair value, less depreciation on buildings and impairment losses.

Furniture and equipment

Furniture and equipment are measured on the cost basis.

The depreciation effective life used for each class of depreciable assets are:

Buildings	2% - 5%
Plant and Equipment, Furniture and Fittings	2% - 33%
Motor Vehicles	8.33%
Computer Equipment	10% - 33%
Leasehold Improvements	Term of the lease

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

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the group commits itself to either purchase or sell the asset. 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

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

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Fair value through other comprehensive income

Investments in that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 3 - Significant accounting policies (continued)

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right of use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset.

The resulting decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Leases

The group leases business premises on an arm's length basis from a third-party lessor. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control, and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

The group does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Lease liability

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 3 - Significant accounting policies (continued)

Lease Liability (continued)

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The group has reviewed all its leases and included any extensions where the group assessed it is reasonably certain the lease agreement will be renewed.

The lease payment used in the calculation of the lease liabilities should include variable payments when they relate to an index or rate. Where leases contain variable lease, payments based on an index or rate at a future point in time, the group has used the incremental uplift contained in the lease or the respective Reserve Bank forward-looking CPI target for CPI-related increases.

In the absence of any floor or cap clauses in the lease agreements, the group measures the rent for the year under market review at an amount equal to the rent of the year preceding the market review increased by a fixed rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant group's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the group would be charged on borrowings, provided by our banking partners. The weighted average incremental borrowing rate is 3.0%. The following lease payments being fixed payments, less any lease incentives receivable are included where they are not paid at the commencement date.

Subsequently, the lease liability is measured by:

- Increasing the carrying amount to reflect interest on the lease liability
- Reducing the carrying amount to reflect the lease payments made
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments

The unwind of the financial charge on the lease liabilities is recognised in the statement of profit or loss and other comprehensive income in "Finance costs" based on the group's incremental borrowing rate.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 3 - Significant accounting policies (continued)

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 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 high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Refundable accommodation deposits and resident accommodation bonds

Refundable accommodation deposits and resident accommodation bonds are non-interest-bearing deposits made by aged care facility residents to the entity upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Accommodation bonds are measured at the principal amount net of any retentions, or any other amounts deducted from the bond at the election of the resident.

Fair value of assets and liabilities

The consolidated group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 4 – Revenue and other income

	2022 \$	2021 \$
Operating revenue		
Government subsidies and recurrent grants	11,251,037	11,728,739
Government support - COVID-19	400,000	50,000
Resident fees and charges	4,348,505	4,342,706
Daily accommodation payments	1,052,472	1,208,863
	<u>17,052,014</u>	<u>17,330,308</u>
Other revenue		
Donations	12,354	34,069
Rental income	269,796	253,423
Café sales	148,295	160,424
Other revenue	2,640	3,609
	<u>433,085</u>	<u>451,525</u>
Total revenue	<u>17,485,099</u>	<u>17,781,833</u>
Other income		
Finance income		
Investment income - financial institutions	88,838	109,495
Interest income - residents	214,803	227,191
Total finance income	<u>303,641</u>	<u>336,686</u>
Net gain on disposal of property, plant and equipment	8	-
Total other income	<u>303,649</u>	<u>336,686</u>
Total revenue and other income	<u>17,788,748</u>	<u>18,118,519</u>
Note 5 – Expenses		
Depreciation and amortisation		
Buildings	947,837	942,720
Furniture and equipment	335,457	317,140
Motor vehicles	8,183	8,182
Right-of-use assets	143,077	125,288
Total depreciation and amortisation	<u>1,434,554</u>	<u>1,393,330</u>
Finance costs		
Lease liability	96,878	88,079
Other	136,731	78,390
Total finance costs	<u>233,609</u>	<u>166,469</u>

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

	2022 \$	2021 \$
Note 6 – Cash and cash equivalents		
Cash at bank	7,015,598	7,201,963
Term deposits	14,000,000	11,000,000
Total cash and cash equivalents	21,015,598	18,201,963
Note 7 – Trade and other receivables		
<u>Expected to be settled within 12 months</u>		
Trade receivables	143,667	57,190
Provision for impairment	(30,000)	(30,000)
	113,667	27,190
Accrued income	517,905	125,451
Other receivables	221,595	5,107
Prepayments	92,042	117,374
Total trade and other receivables	945,209	275,122
Note 8 - Capital work in progress		
Cost	241,872	212,741
Total capital work in progress	241,872	212,741
Movements in carrying amounts		
Movements in carrying amounts	212,741	-
Additions	29,131	212,741
Closing net carrying amount	241,872	212,741

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 9 - Property, plant and equipment

	Land	Buildings	Furniture and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Consolidated Entity					
At 30 June 2021					
Cost	-	-	3,633,078	98,229	3,731,307
Valuation	12,580,000	41,760,829	-	-	54,340,829
Accumulated depreciation	-	(4,786,079)	(2,190,091)	(31,754)	(7,007,924)
Net carrying amount	12,580,000	36,974,750	1,442,987	66,475	51,064,212
Movements in carrying amounts					
Opening net carrying amount	12,580,000	36,974,750	1,442,987	66,475	51,064,212
Additions	-	24,761	133,071	-	157,832
Disposals	-	-	(992)	-	(992)
Depreciation charge for the year	-	(947,837)	(335,457)	(8,183)	(1,291,477)
Closing net carrying amount	12,580,000	36,051,674	1,239,609	58,292	49,929,575
At 30 June 2022					
Cost	-	-	3,765,150	98,229	3,863,379
Valuation	12,580,000	41,785,590	-	-	54,365,590
Accumulated depreciation	-	(5,733,916)	(2,525,541)	(39,937)	(8,299,394)
Net carrying amount	12,580,000	36,051,674	1,239,609	58,292	49,929,575

Note 10 - Right-of-use assets

	2022 \$	2021 \$
Leased property - at cost	3,016,540	3,016,540
Accumulated depreciation	(429,231)	(286,154)
Total right-of-use assets	2,587,309	2,730,386

Movements in carrying amounts

Opening net carrying amount	2,730,386	3,230,725
Terminated leases	-	(375,051)
Depreciation	(143,077)	(125,288)
Closing net carrying amount	2,587,309	2,730,386

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements
for the year ended 30 June 2022

	2022 \$	2021 \$
Note 11 - Trade and other payables		
<u>Expected to be settled within 12 months</u>		
Trade payables	424,446	333,567
Accrued expenses	721,278	520,735
Liabilities to employees	616,914	260,353
Income in advance	9,548	8,998
Other payables	-	82,401
Total trade and other payables	1,772,186	1,206,054
Note 12 - Refundable loans		
<u>Expected to be settled within 12 months</u>		
Refundable accommodation deposits	12,955,375	11,730,710
	<u>12,955,375</u>	<u>11,730,710</u>
<u>Expected to be settled after 12 months</u>		
Refundable accommodation deposits	30,229,207	27,371,657
	<u>30,229,207</u>	<u>27,371,657</u>
Total refundable loans	43,184,582	39,102,367
Movement in refundable accommodation deposits		
Opening net carrying amount	39,102,367	38,093,773
RADs received	14,237,776	10,178,171
Allowable deductions	(65,531)	(219,671)
RADs refunded	(10,090,030)	(8,949,906)
Closing net carrying amount	<u>43,184,582</u>	<u>39,102,367</u>

Terms and conditions

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements
for the year ended 30 June 2022

Note 13 - Employee benefits

Expected to be settled within 12 months

	2022 \$	2021 \$
Annual leave	1,158,615	1,082,316
Long service leave	380,893	276,647
	<u>1,539,508</u>	<u>1,358,963</u>

Expected to be settled after 12 months

Long service leave	228,721	228,721
	<u>228,721</u>	<u>228,721</u>
Total provisions	<u><u>1,768,229</u></u>	<u><u>1,587,684</u></u>

Note 14 - Lease liabilities

Expected to be settled within 12 months

Lease liabilities	109,379	105,622
	<u>109,379</u>	<u>105,622</u>

Expected to be settled after 12 months

Lease liabilities	2,601,054	2,710,433
	<u>2,601,054</u>	<u>2,710,433</u>
Total lease liabilities	<u><u>2,710,433</u></u>	<u><u>2,816,055</u></u>

Movements in carrying amounts

Opening net carrying amount	2,816,055	3,305,527
Terminated leases	-	(375,051)
Repayments	(202,500)	(202,500)
Interest	96,878	88,079
Closing net carrying amount	<u><u>2,710,433</u></u>	<u><u>2,816,055</u></u>

Note 15 - Key management personnel

Remuneration of key management personnel

The aggregate amount of compensation paid to key personnel during the year was:	<u><u>968,023</u></u>	<u><u>693,390</u></u>
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Note 16 - Auditor's remuneration

Fees paid to StewartBrown, Chartered Accountants (2021: Grant Thornton):

Audit of the financial report	27,500	37,500
Preparation of the general purpose financial reports	3,500	3,500
Consulting services	315,000	-
Other services	1,280	-
Total auditor's remuneration	<u><u>347,280</u></u>	<u><u>41,000</u></u>

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 17 - Parent entity information

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Australian Accounting Standards.

	2022 \$	2021 \$
Statement of Financial Position		
Assets		
Current assets	21,319,984	17,630,462
Non-current assets	51,500,546	52,834,805
Total assets	72,820,530	70,465,267
Liabilities		
Current liabilities	16,641,649	15,476,140
Non-current liabilities	32,280,889	28,791,811
Total liabilities	48,922,538	44,267,951
Net assets	23,897,992	26,197,316
Funds		
Accumulated funds	6,272,838	8,572,162
Reserves	17,625,154	17,625,154
Total funds	23,897,992	26,197,316
Statement of Profit or Loss and Other Comprehensive Income		
Surplus (deficit) for the year	(2,299,324)	(1,627,725)
Other comprehensive income	-	-
Total comprehensive income (loss)	(2,299,324)	(1,627,725)

Claremont & Southport Aged Care Limited and Controlled Entity

Notes to the Financial Statements for the year ended 30 June 2022

Note 18 - Contingent liabilities

At balance date the group is not aware of the existence of any contingent liability

Note 19 - Limitation of members' liability

The group is incorporated as a company limited by guarantee and in accordance with the constitution the liability of members in the event of the group being wound up would not exceed \$50 per member. At 30 June 2022 the number of members of the group was 84 (2021: 83).

Note 20 - Economic dependency

The group considers that it is economically dependent on revenue received from the Commonwealth Department of Health and Aged Care with respect to its residential aged care facilities and community care programs. The Directors believe that this revenue will continue to be made available to the group for the foreseeable future.

Note 21 - Related party transactions

Directors' remuneration

In accordance with the group's constitution the Directors of the group hold that position in an honorary capacity and thus receive no remuneration or retirement or superannuation benefits for their services except for the reimbursement of out-of-pocket expenses or for services rendered in a professional or technical capacity, subject to certain terms and circumstances.

Note 22 - Events occurring after balance date

COVID-19 pandemic

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the group in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

There were no other significant events occurring after balance date.

Claremont & Southport Aged Care Limited and Controlled Entity ABN 53 142 425 527

Financial Report - 30 June 2022

Directors' Declaration

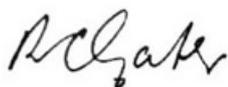
The Directors of Claremont & Southport Aged Care Limited declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

- (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the group.

2. In the opinion of the Directors, there are reasonable grounds to believe that the group 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.



Richard Gates
Director



Paul Garry
Director

Melbourne, 27 October 2022

CLAREMONT & SOUTHPORT AGED CARE LIMITED
AND CONTROLLED ENTITY
ABN 53 142 425 527

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLAREMONT & SOUTHPORT AGED CARE LIMITED

Opinion

We have audited the financial report of Claremont & Southport Aged Care Limited (the parent entity) and Claremont & Southport Aged Care Limited and its controlled entity (the group) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in funds 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 of the consolidated entity comprising the parent entity and the entities it controlled during the year.

In our opinion, the accompanying financial report of Claremont & Southport Aged Care Limited (the parent entity) and Claremont & Southport Aged Care Limited and its controlled entity (the group) is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the parent entity's and consolidated group's financial position as at 30 June 2022 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the group, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

The Directors of the parent entity and consolidated group are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* 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 a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the parent entity's and the consolidated 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 parent entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the parent entity's and consolidated group's financial reporting process.

CLAREMONT & SOUTHPORT AGED CARE LIMITED
AND CONTROLLED ENTITY
ABN 53 142 425 527

FINANCIAL REPORT - 30 JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CLAREMONT & SOUTHPORT AGED CARE LIMITED

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* and the website address is <http://www.auasb.gov.au/Home.aspx>

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



Stewart Brown
Chartered Accountants



S.J. Hutcheon
Partner

27 October 2022





CaSPACare
Living well. Living locally.



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Claremont & South Port Aged Care Ltd
ABN 53 142 425 52