

LOBETHAL AND DISTRICT AGED HOMES INC
RESTVALE

ABN 33 535 931 824 NAPS 463

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2022

LOBETHAL AND DISTRICT AGED HOMES INC
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FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 2022
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LOBETHAL AND DISTRICT AGED HOMES INC
RESTVALE
ABN 33 535 931 824 NAPS 463

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2022	2021
INCOME			
<u>Operating Income</u>		3,218,353	3,170,177
<u>Investment Income</u>			
Investment Income		372,112	348,311
Interest Income			
- Non-Related Parties		10,969	14,169
<u>Total Investment Income</u>		<u>383,081</u>	<u>362,480</u>
Total Recurrent Income		3,601,434	3,532,657
<u>Non-Recurrent Income</u>			
Donations, Bequests and Fundraising		28,459	6,643
Realised Gains on Disposal of Assets		220,329	0
COVID-19 Funding		30,320	142,480
Other Non-Current Income		0	56,771
<u>Total Non-Recurrent Income</u>		<u>279,108</u>	<u>205,893</u>
Total Income		3,880,542	3,738,550
Expenses			
<u>Recurrent Expenses</u>			
Salaries and Employee Benefits		2,628,974	2,570,286
Depreciation		176,090	167,056
Finance Expenses			
- Non-Related Parties		8,556	13,553
Other Expenses		624,165	620,655
<u>Total Recurrent Expenses</u>		<u>3,437,786</u>	<u>3,371,549</u>
<u>Non-Recurrent Expenses</u>			
Realised Losses on Disposal of Assets		6,987	0
COVID-19 Expenses		30,337	72,557
<u>Total Non-Recurrent Expenses</u>		<u>37,323</u>	<u>72,557</u>
Total Expenses		3,475,109	3,444,107
Net Surplus/(Deficit) before tax		405,433	294,443
Income tax		0	0
Net Surplus/(Deficit) after tax		405,433	294,443
Other comprehensive income:			
Revaluation of Assets - Increase		0	509,478
Revaluation of Assets - Decrease		(560,469)	0
<u>Total Other Comprehensive Income</u>		<u>(560,469)</u>	<u>509,478</u>
TOTAL COMPREHENSIVE INCOME FOR YEAR		<u>\$(155,037)</u>	<u>\$803,921</u>

LOBETHAL AND DISTRICT AGED HOMES INC
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STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,513,356	4,615,783
Trade and other receivables	7	338,886	231,795
Financial Assets	8	4,900,595	5,187,120
		<u>11,752,837</u>	<u>10,034,698</u>
TOTAL CURRENT ASSETS		<u>11,752,837</u>	<u>10,034,698</u>
NON-CURRENT ASSETS			
Property, plant & equipment	9	3,306,686	3,377,311
TOTAL NON-CURRENT ASSETS		<u>3,306,686</u>	<u>3,377,311</u>
TOTAL ASSETS		<u>15,059,523</u>	<u>13,412,009</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	157,064	118,471
Income received in advance	11	17,513	15,864
Financial liabilities	13	8,390,484	6,671,372
Provisions	12	291,633	242,401
		<u>8,856,694</u>	<u>7,048,108</u>
TOTAL CURRENT LIABILITIES		<u>8,856,694</u>	<u>7,048,108</u>
NON-CURRENT LIABILITIES			
Financial liabilities	13	0	0
Provisions	14	28,561	34,597
TOTAL NON-CURRENT LIABILITIES		<u>28,561</u>	<u>34,597</u>
TOTAL LIABILITIES		<u>8,885,255</u>	<u>7,082,705</u>
NET ASSETS		<u>\$6,174,268</u>	<u>\$6,329,304</u>
EQUITY			
Retained earnings		6,047,911	5,642,478
Asset Revaluation Reserve		457,378	457,378
Investment Revaluation Reserve		(331,021)	229,448
TOTAL EQUITY		<u>\$6,174,268</u>	<u>\$6,329,304</u>

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings	Asset Revaluation Reserve	Investment Revaluation Reserve	Total
	\$			\$
Balance at 1st July 2020	5,348,135	457,378	(280,030)	5,525,483
Total other comprehensive income for the year	0	0	509,478	509,478
Surplus for the year	<u>294,343</u>	<u>0</u>	<u>0</u>	<u>294,343</u>
Balance at 30 June 2021	5,642,478	457,378	229,448	6,329,304
Total other comprehensive income for the year	0	0	(560,469)	(560,469)
Surplus for the year	<u>405,433</u>	<u>0</u>	<u>0</u>	<u>405,433</u>
Balance at 30 June 2022	<u><u>\$6,047,911</u></u>	<u><u>\$457,378</u></u>	<u><u>\$(331,021)</u></u>	<u><u>\$6,174,268</u></u>

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,271,171	3,151,467
Donations Received		28,459	6,643
Interest Received		10,969	14,169
Distributions Received		278,081	304,416
Other receipts		30,320	199,251
Payments to suppliers and employees		<u>(3,274,472)</u>	<u>(3,239,010)</u>
Net cash provided by operating activities	18b	<u>344,528</u>	<u>436,934</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(2,357,084)	(504)
Proceeds from Disposal of Investments		2,296,482	270,000
Proceeds from sale of plant and equipment - aged care		0	33,809
Purchase of property, plant and equipment - aged care		(57,947)	(93,404)
Purchase of Work In Progress assets		<u>(47,518)</u>	<u>0</u>
Net cash provided by (used in) investing activities		<u>(166,068)</u>	<u>209,901</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Refundable deposits received		2,640,000	2,240,000
Refundable deposits refunded/ drawdown		<u>(920,888)</u>	<u>(2,356,707)</u>
Net cash provided by (used in) financing activities		<u>1,719,112</u>	<u>(116,707)</u>
Net (decrease)/ increase in cash held		1,897,573	530,128
Cash at the beginning of the financial year		<u>4,615,783</u>	<u>4,085,655</u>
Cash at the end of the financial year	18a	<u>6,513,356</u>	<u>4,615,784</u>

All other cash flow items on the Aged Care Financial Report template were Nil in both years.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The general purpose financial statements were authorised for issue on 26th August 2022 by the members of the Association.

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The general purpose financial statements cover Lobethal and District Aged Homes Inc as an individual entity. Lobethal and District Aged Homes Inc is an association incorporated in South Australia under the Associations Incorporations Act, 1985.

The financial report has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures ("SDS") - the basis of accounting specified by all Accounting Standards and interpretations and the disclosure requirements of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities", AASB 107 "Cash Flow Statements", AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors", AASB 1031 "Materiality" and AASB 1048 "Interpretation and Application of Standards".

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated otherwise.
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 applying fair value accounting to certain financial assets and liabilities measured at fair value through income statement (FVIS) or in other comprehensive Income (OCI).
The financial report has been prepared on the going concern assumption and rounded to the nearest \$1 A.

(a) Income Tax

The association is exempt from income tax and is a deductible gift recipient as determined by the Australian Taxation Office.

(b) Fair Value of Assets and Liabilities

The association 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 association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. 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.

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(c) Property, Plant & Equipment

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

Land and buildings

Land and buildings are measured at cost less impairment or external valuation. Net revaluation increments in the carrying amounts of land and buildings are recognised directly in the asset revaluation reserve. Impairments are provided for as necessary and charged to expense.

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and 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. A formal assessment of the recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets, including buildings, is depreciated on a straight line basis over the assets useful life to the entity commencing from the time the asset is available for use. Depreciation is recognised in profit or loss.

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

Buildings	2.50%
Plant & Equipment	7.50%

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount.

These gains and losses are recognised in profit and 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.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables in the statement of financial position are shown 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.

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(e) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the association's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on bonds that have maturity dates approximate to the terms of the obligations. Upon the re - measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit and loss as a part of employee benefit expense. The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the association receive defined contribution superannuation entitlements, for which the association pays the fixed superannuation guarantee contribution (from 1 July 2021 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The association's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the association's statement of financial position.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at bank and deposits at-call with banks.

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FOR THE YEAR ENDED 30 JUNE 2022

(g) Revenue Recognition

Revenue from contracts with customers

Revenue arising from the provision of aged care services to residents is recognised on a daily basis as service is provided. Associated government subsidies are recognised on the same basis.

Revenue from retentions is recognised on a time elapsed basis based on the relevant resident contracts.

Other revenue is recognised at the point in time when the association has satisfied its performance obligations and the transaction price determined.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

(h) 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 Association during the reporting period, that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified as "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

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(j) Significant Accounting Estimates and Judgements

The Board members 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 association.

Key Estimates - Impairment

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

Key Judgements

The Board has assessed the likelihood of all accommodation payments requiring repayment in a financial year as unlikely. A liquidity reserve of accommodation payments has been established and this amount is reflected in the Board's assessment of cash outflows in the financial instruments note 19.

(k) Aged Care Facility Accommodation Payments

Lobethal and District Aged Homes Inc holds lump sum accommodation payments on behalf of residents. In accordance with the Aged Care Act of 1997, all conditions of Prudential Compliance are adhered to as required by the Department of Health.

(l) New Accounting Standards adopted during the year

The following Australian Accounting Standards have been adopted by the association for the year ended 30 June 2022.

Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The association has elected to adopt Amendment AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The amendment did not have a material impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

Transition to AASB 1060 General Purpose Financial Statements - Simplified Disclosures

These general purpose financial statements for the year ended 30 June 2021, are the first the association has prepared complying with *Australian Accounting Standards - Simplified Disclosures*. The association has restated comparative information where necessary comparative information not disclosed in the notes of the previous financial statements. Other than the change in disclosure requirements, the adoption of the Australian Accounting Standards – Simplified Disclosures has no significant impact on the financial statements because the association's previous financial statements were prepared in full compliance with the recognition and measurement requirements of Australian Accounting Standards.

(m) COVID-19 Pandemic

On the 11th March 2020 the World Health Organisation declared COVID-19 a pandemic. Subsequently the facility was placed into lockdown and restricted access to the facility has occurred in line with SA Health Guidelines from time to time.

This position is ongoing. Consequently significant expense has, and is being, incurred which has not been covered by residents fees. The association has received Federal Government Funding (Cash Flow Boost \$50,000 and workforce retention bonus \$53,280), which have been included in the income of this year.

It is not known when or how the restrictions on the aged care facility will be lifted due to the "at risk" profile of the residents. The Board considers that the association has the resources to continue the operations for the foreseeable future.

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NOTES TO THE FINANCIAL STATEMENTS

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2 REVENUE

The Statement of Profit or Loss and Comprehensive Income has been prepared so as to disclose all required disclosures of revenue categories.

3 PROFIT FROM ORDINARY ACTIVITIES

The Statement of Profit or Loss and Comprehensive Income has been prepared so as to disclose all required disclosures of expense categories.

4 KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

	2022	2021
Total Compensation	\$207,237	\$264,663

5 AUDITORS' REMUNERATION

Remuneration of the auditor of the association for:

auditing or reviewing the financial statements	\$6,255	\$5,100
other statutory assurance services	\$0	\$0
other accounting services	\$0	\$0

6 CASH AND CASH EQUIVALENTS

Cash on hand	4,017	8,407
Cash at bank - Operating Account	6,509,338	4,328,171
Cash at bank - House Committee	0	279,205
Cash at bank - ANZ On Line Saver No. 1	0	0
	\$6,513,356	\$4,615,783

7 TRADE & OTHER RECEIVABLES

GST claimable	10,094	5,693
Accounts Receivable	23,300	18,380
RAD/Bond/Entry Contributions Receivable	0	0
Other Debtors	15,723	11,985
Accrued Income	289,768	195,737
	\$338,886	\$231,795

The association does not have any material credit risk exposure to any single receivable or group of receivables. No collateral is held over trade and other receivables.

8 FINANCIAL ASSETS

Investment in Funds	4,900,595	5,187,120
	4,900,595	5,187,120

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	2022	2021
9 PROPERTY, PLANT & EQUIPMENT		
Land (at independent valuation, 2014)	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Buildings (at independent valuation, 2014)	2,769,000	2,769,000
Work In Progress	254,608	207,090
Less: Provision for depreciation	(645,600)	(564,900)
	<u>2,378,008</u>	<u>2,411,190</u>
Improvements (at independent valuation 2014)	140,500	140,500
Plant and equipment (at independent valuation 2014)	181,112	181,112
Plant and equipment (at cost)	596,996	539,048
Less: Provision for depreciation	(489,930)	(394,540)
	<u>288,178</u>	<u>325,621</u>
	<u>\$3,306,686</u>	<u>\$3,377,311</u>

(a) Movements in carrying amounts

	Opening 2020	Additions	Depreciation
Land	500,000	0	0
Buildings	2,284,800	0	(80,700)
Building Work In Progress	234,920	5,980	0
Improvements	140,500	0	0
Plant & equipment	324,553	87,424	(86,356)
Total	<u>3,484,772</u>	<u>93,404</u>	<u>(167,056)</u>

	Revaluation	Disposals	Balance as at 30 June 2021
Land	0	0	500,000
Buildings	0	0	2,204,100
Building Work In Progress	0	(33,809)	207,090
Improvements	0	0	140,500
Plant & equipment	0	0	325,621
Total	<u>0</u>	<u>(33,809)</u>	<u>3,377,311</u>

	Opening 2021	Additions	Depreciation
Land	500,000	0	0
Buildings	2,204,100	0	(80,700)
Building Work In Progress	207,090	47,518	0
Improvements	140,500	0	0
Plant & equipment	325,621	57,947	(95,390)
Total	<u>3,377,311</u>	<u>105,465</u>	<u>(176,090)</u>

	Revaluation	Disposals	Balance as at 30 June 2022
Land	0	0	500,000
Buildings	0	0	2,123,400
Building Work In Progress	0	0	254,608
Improvements	0	0	140,500
Plant & equipment	0	0	288,178
Total	<u>0</u>	<u>0</u>	<u>3,306,686</u>

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FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
10 TRADE & OTHER PAYABLES		
Trade Payables	88,661	64,462
Other Payables	68,403	54,008
	<u>\$157,064</u>	<u>\$118,471</u>
11 INCOME IN ADVANCE		
Fees in advance	17,513	15,864
	<u>\$17,513</u>	<u>\$15,864</u>
12 CURRENT PROVISIONS		
Provision for Employee Benefits	291,633	242,401
Total Provisions	<u>\$291,633</u>	<u>\$242,401</u>
13 FINANCIAL LIABILITIES		
Non-interest Bearing Financial Liabilities		
Accommodation Bonds/ Refundable Deposits		
Funded Beds	8,390,484	6,671,372
	<u>\$8,390,484</u>	<u>\$6,671,372</u>

To 30 June 2014 certain residents of Aged Care Facilities were required to provide an Accommodation Bond on entry to the facility. From July 2014 residents may be required to make Refundable Accommodation Deposits/Contributions which are fully refundable on leaving the facility. The Association is allowed to retain a Federal Government nominated amount of each Accommodation Bond for up to five years. Movements in bonds, deposits and contributions over the past year are as follows:

APSN 6052 Restvale Hostel	\$	Number	
Opening Balance	6,671,372	20	6,788,079
New Deposits	2,640,000	8	2,240,000
Repaid Deposits	(753,517)	(3)	(2,197,047)
Retentions & Drawdowns	(167,371)		(159,661)
	<u>8,390,484</u>	<u>25</u>	<u>6,671,372</u>
Closing balance			

The association does not hold any entry contributions.

Total Financial Liabilities		
Current	8,390,484	6,671,372
Non-Current	<u>0</u>	<u>0</u>
	<u>\$8,390,484</u>	<u>\$6,671,372</u>

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2022

2021

14 NON - CURRENT PROVISIONS

Long Service Leave Provision	28,561	34,597
	<u>28,561</u>	<u>34,597</u>
Total Long Term Provisions	<u>\$28,561</u>	<u>\$34,597</u>

15 CAPITAL AND LEASING COMMITMENTS

- a. The association does not have any lease commitments,
- b. The association has let a contract for stage 1 of the Facility Refurbishment for a cost of \$770,088. Stage 2 of the Facility Refurbishment is budgetted to cost a further \$2.5 million. The Department of Health has agreed to contribute \$1 million as a grant towards the total cost of the Facility Refurbishment.

16 SEGMENTS

The association operates in one business and geographical segment, being an Aged Care Residential Facility in Lobethal SA.

LOBETHAL AND DISTRICT AGED HOMES INC
 RESTVALE
 ABN 33 535 931 824 NAPS 463
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022
 Residential Aged Care

17 SEGMENT REPORTING

REVENUE

	Facility		All Other Activities		Entity Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Care Income						
Subsidies & Supplements - Commonwealth	2,152,536	2,103,889			2,152,536	2,103,889
Resident Fees						
Means Tested Fees	128,683	105,657			128,683	105,657
Other Fees	0	0			0	0
Total Residential Care Income	2,281,219	2,209,545	0	0	2,281,219	2,209,545
<u>Hotel Services Income</u>						
Basic Daily Fee	659,965	652,236			659,965	652,236
Extra Service Fees	0	0	0	0	0	0
Other Hotel Services Income	0	0	0	0	0	0
Total Hotel Services Income	659,965	652,236	0	0	659,965	652,236
<u>Accommodation Income</u>						
Subsidies & Supplements - Commonwealth	85,658	97,560			85,658	97,560
Daily Accommodation Payments	191,511	210,836			191,511	210,836
Accommodation Charges	0	0			0	0
Total Accommodation Income	277,169	308,396	0	0	277,169	308,396
<u>Finance Income</u>						
Interest and Investment Income	0	0	383,081	362,480	383,081	362,480
Total Finance Income	0	0	383,081	362,480	383,081	362,480
<u>COVID-19 Income</u>						
Covid -19 Income	30,320	142,480			30,320	142,480
Total COVID-19 Income	30,320	142,480	0	0	30,320	142,480
<u>Non-Recurrent Income</u>						
Donations, Bequests & Fundraising	0	0	28,459	6,643	28,459	6,643
Realised gains on disposal of assets	0	0	220,329	0	220,329	0
Other Non-Recurrent Income	0	56,757	0	14	0	56,771
Total Non-Recurrent Income	0	56,757	248,788	6,656	248,788	63,413
Total Income	3,248,673	3,369,414	631,869	369,136	3,880,542	3,738,550

LOBETHAL AND DISTRICT AGED HOMES INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Residential Aged Care

Facility		All Other Activities		Entity Total	
2022	2021	2022	2021	2022	2021
\$	\$	\$	\$	\$	\$

17 SEGMENT REPORTING
EXPENSE

Care Expenses

Labour Costs - Direct Care

Registered nurses	185,078	123,977			185,078	123,977
Enrolled & licensed nurses	525,970	515,884			525,970	515,884
Personal Care Staff	945,648	869,661			945,648	869,661
Care Management Staff	50,300	111,772			50,300	111,772
Allied Health	0	112,285			0	112,285
Lifestyle/Recreational/Diversional/Activities Officer	45,953	90,941			45,953	90,941
Other Employee Staff	0	0			0	0
Total Employee Labour Costs	1,752,948	1,824,520	0	0	1,752,948	1,824,520
Agency staff costs	88,393	0			88,393	0
Agency Fees	0	0			0	0
Contract Labour Costs	0	0			0	0
Total Contract Labour Costs	88,393	0	0	0	88,393	0
Total Labour Costs	1,841,341	1,824,520	0	0	1,841,341	1,824,520

Resident Expenses

Medical supplies	34,201	41,609			34,201	41,609
Incontinence supplies	20,434	18,976			20,434	18,976
Oral Nutrition supplements	7,562	4,995			7,562	4,995
Oral Health Living expenses	285	0			285	0
Other resident services and consumables	2,262	1,641			2,262	1,641
Total Resident Expenses	64,742	67,221	0	0	64,742	67,221

Other Direct Care Expenses

Workcover	47,083	51,684			47,083	51,684
Payroll tax	0	0			0	0
Quality, compliance and training external costs	3,711	1,495			3,711	1,495
Chaplaincy/Pastoral Care	0	0			0	0
Other Direct Care Expenses	0	0			0	0
Total Other Direct Care Expenses	50,794	53,178	0	0	50,794	53,178

Total Care Expenses

1,956,877	1,944,919	0	0	1,956,877	1,944,919
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Hotel Services Expenses

Catering Expenses

Employee labour costs	339,844	278,908			339,844	278,908
Consumables	113,759	106,032			113,759	106,032
Contract (internal)	0	0			0	0
Contract (outsourcing)	0	0			0	0
Total Catering Expenses	453,603	384,939	0	0	453,603	384,939

Cleaning Expenses

Employee labour costs	95,163	84,084			95,163	84,084
Consumables	30,110	31,157			30,110	31,157
Contract (internal)	0	0			0	0
Contract (outsourcing)	167	909			167	909
Total Cleaning Expenses	125,440	116,149	0	0	125,440	116,149

Laundry Expenses

Employee labour costs	26,992	21,744			26,992	21,744
Consumables	3,354	2,460			3,354	2,460
Contract (internal)	0	0			0	0
Contract (outsourcing)	24,257	25,250			24,257	25,250
Total Laundry Expenses	54,603	49,455	0	0	54,603	49,455

LOBETHAL AND DISTRICT AGED HOMES INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
Residential Aged Care

	Facility		All Other Activities		Entity Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
17 SEGMENT REPORTING						
EXPENSE, continued						
<u>Utilities</u>	62,871	61,326			62,871	61,326
<u>Motor Vehicle Expenses</u>	0	0			0	0
<u>Other Hotel Expenses</u>						
Workcover	12,372	13,811			12,372	13,811
Payroll tax	0	0			0	0
Quality, compliance and training external costs	413	1,466			413	1,466
Other Hotel Expenses	0	0			0	0
<i>Total Other Hotel Expenses</i>	<i>12,786</i>	<i>15,277</i>	<i>0</i>	<i>0</i>	<i>12,786</i>	<i>15,277</i>
Total Hotel Expenses	709,303	627,147	0	0	709,303	627,147
Administration Expenses						
Corporate recharge	0	0			0	0
Employee labour costs	176,552	201,433			176,552	201,433
Workcover	4,743	6,676			4,743	6,676
Payroll tax	0	0			0	0
Fringe benefits tax	0	0			0	0
Quality, compliance and training external costs	1,838	0			1,838	0
Insurances	37,535	38,328			37,535	38,328
Other administration costs	105,049	112,815	0	139	105,049	112,953
<i>Total Administration Expenses</i>	<i>325,717</i>	<i>359,251</i>	<i>0</i>	<i>139</i>	<i>325,717</i>	<i>359,390</i>
Accommodation Expenses						
Employee labour costs	0	0			0	0
Depreciation - building	80,700	80,700			80,700	80,700
Depreciation - other assets	95,390	86,356			95,390	86,356
Amortisation	0	0			0	0
Refurbishment costs	6,417	79,237			6,417	79,237
Rent - buildings	0	0			0	0
Interest paid (RAD/Bond)	8,556	13,553			8,556	13,553
<u>Routine Maintenance Expenses</u>						
Employee labour costs	74,318	74,950			74,318	74,950
Consumables	80,058	90,961			80,058	90,961
Contract (internal)	0	0			0	0
Contract (outsourcing)	1,490	1,860			1,490	1,860
<i>Total Routine Maintenance Expenses</i>	<i>155,867</i>	<i>167,772</i>	<i>0</i>	<i>0</i>	<i>155,867</i>	<i>167,772</i>
Workcover	1,993	0			1,993	0
Payroll tax	0	0			0	0
Other accommodation expenses	0	0			0	0
<i>Total Accommodation Expenses</i>	<i>348,924</i>	<i>427,617</i>	<i>0</i>	<i>0</i>	<i>348,924</i>	<i>427,617</i>
COVID-19 Expenses						
Labour Costs	96,965	12,477			96,965	12,477
Resident Support	1,422	17,925			1,422	17,925
Preventative Measures	26,972	48,964			26,972	48,964
Infection Prevention and Control	1,943	5,668			1,943	5,668
Other COVID-19 Expenses	0	0			0	0
<i>Total COVID-19 Expenses</i>	<i>127,302</i>	<i>85,034</i>	<i>0</i>	<i>0</i>	<i>127,302</i>	<i>85,034</i>
Non- Recurrent Expense						
Realised Loss on disposal of assets	0	0	6,987	0	6,987	0
	0	0	6,987	0	6,987	0
Total Expenses	3,468,122	3,443,968	6,987	139	3,475,108.94	3,444,107
Net (Deficit) / Surplus	(219,450)	(74,554)	624,882	368,997	405,433	294,443

LOBETHAL AND DISTRICT AGED HOMES INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Residential Aged Care

	Facility		All Other Activities		Entity Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
17 SEGMENT REPORTING						
ASSETS						
Cash	6,513,356	4,336,578	0	279,205	6,513,356	4,615,783
Trade and other receivables	49,117	36,058	289,768	195,737	338,886	231,795
Other current assets	1,790,140	1,790,140	3,110,455	3,396,980	4,900,595	5,187,120
Current Assets	8,352,613	6,162,776	3,400,224	3,871,923	11,752,837	10,034,698
Capital Work in Progress	254,608	207,090			254,608	207,090
Property, Plant & Equipment	3,052,078	3,170,221			3,052,078	3,170,221
Non-Current Assets	3,306,686	3,377,311	0	0	3,306,686	3,377,311
TOTAL ASSETS	11,659,299	9,540,086	3,400,224	3,871,923	15,059,523	13,412,009
LIABILITIES						
Trade payables	174,578	134,335			174,578	134,335
Employee provisions	291,633	242,401			291,633	242,401
Refundable Accommodation Deposits	8,390,484	6,671,372			8,390,484	6,671,372
Current Liabilities	8,856,694	7,048,108	0	0	8,856,694	7,048,108
Employee provisions	28,561	34,597	0	0	28,561	34,597
Non-Current Liabilities	28,561	34,597	0	0	28,561	34,597
TOTAL LIABILITIES	8,885,255	7,082,705	0	0	8,885,255	7,082,705
NET SEGMENT ASSETS	\$2,774,044	\$2,457,382	\$3,400,224	\$3,871,923	\$6,174,268	\$6,329,304

Residential Segment Equity

Reserves & Other Equity	457,378	457,378	-331,021	229,448	126,357	686,826
Retained earnings						
- Opening Balance	2,000,004	2,074,557	3,642,474	3,273,478	5,642,478	5,348,035
- Current Year Net Profit/(Loss)	(219,450)	(74,554)	624,882	368,997	405,433	294,443
- Closing Balance	1,780,554	2,000,004	4,267,357	3,642,474	6,047,911	5,642,478
TOTAL SEGMENT EQUITY	\$2,237,932	\$2,457,382	\$3,936,336	\$3,871,923	\$6,174,268	\$6,329,304

LOBETHAL AND DISTRICT AGED HOMES INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
18 CASH FLOW INFORMATION			
a. Reconciliation of Cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		4,017	8,407
Cash at bank		<u>6,509,339</u>	<u>4,607,377</u>
		<u>\$6,513,356</u>	<u>4,615,783.34</u>
b. Reconciliation of Cash Flow from Surplus after Income Tax			
(Deficit)/Surplus after Income Tax		405,433	294,443
Non-cash flows in surplus:			
— Depreciation		176,090	167,056
— Profits / Loss on Disposal		(213,342)	0
Decrease/(Increase) in trade and other receivables	(107,091)		(61,983)
Decrease/(Increase) in prepayments	0		6,530
(Decrease)/Increase in trade and other payables	38,593		31,263
(Decrease)/Increase in income in advance	1,650		(622)
(Decrease)/Increase in provisions	<u>43,196</u>	<u>(23,652)</u>	<u>348</u>
		<u>\$344,528</u>	<u>\$24,465</u>
Cash flows from operations		<u>\$344,528</u>	<u>\$437,034</u>
c. Non-cash Financing and Investing Activities			
		<u>Nil</u>	<u>Nil</u>

19 FINANCIAL RISK MANAGEMENT

The association's financial instruments consist of deposits at bank and accounts receivable and payable including accommodation bonds. The carrying amounts for each category of financial instrument, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements are set out below.

The association is required to adopt and manage a liquidity standard by the Department of Health funding requirements. The association has adopted a liquidity standard and has maintained cash at bank to meet the standard at all times.

At 30 June 2022 the estimated liquidity requirement was \$2,097,621.

LOBETHAL AND DISTRICT AGED HOMES INC
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
19 FINANCIAL RISK MANAGEMENT, continued			
Financial asset and financial liability maturity analysis			
		Within Year	1 to 5 Years
		2022	2021
		\$	\$
Financial Liabilities due for payment			
Trade and other payables (excluding estimated annual leave)		157,064	87,208
Accommodation Bonds/Refundable Deposits and Contributions		2,097,621	1,802,718
Total expected outflows		<u>\$2,254,685</u>	<u>\$1,889,926</u>
		Over 5 Years	Total
		2022	2021
		\$	\$
Financial Liabilities due for payment			
Trade and other payables (excluding estimated annual leave)		0	157,064
Accommodation Bonds/Refundable Deposits and Contributions		0	8,390,484
Total expected outflows		<u>\$0</u>	<u>\$8,547,548</u>
		Within Year	1 to 5 Years
		2022	2021
		\$	\$
Financial Assets - cash flows realizable			
Cash and cash equivalents		6,513,356	4,615,783
Investments		4,900,595	5,187,120
Trade, term and loan receivables		338,886	231,795
Total anticipated inflows		<u>\$11,752,837</u>	<u>\$10,034,698</u>
		Over 5 Years	Total
		2022	2021
		\$	\$
Financial Assets - cash flows realizable			
Cash and cash equivalents		0	6,513,356
Investments		0	4,900,595
Trade, term and loan receivables		0	338,886
Total anticipated inflows		<u>\$0</u>	<u>\$11,752,837</u>

Net Fair Values

The net fair value of assets and liabilities of the Association equals their carrying value.

20 ASSOCIATION DETAILS

The registered office of the association is:

Lobethal and District Aged Homes Inc

8 Woodside Road, Lobethal SA

The approved provider delivers only residential aged care services and this general purpose financial report relates only to such operations.

LOBETHAL AND DISTRICT AGED HOMES INC
RESTVALE
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STATEMENT BY THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 30TH JUNE 2022

The Board has determined that the association is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report as set out on pages 1 to 20:

1. Presents a true and fair view of the financial position of Lobethal and District Aged Homes Inc as at 30 June 2022 and its performance for the year ended on that date and comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
2. At the date of this statement, there are reasonable grounds to believe that Lobethal and District Aged Homes Inc will be able to pay its debts as and when they fall due.

During the year ended 30 June 2022, the members of the Board report that:

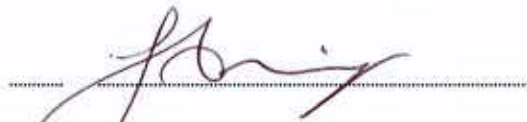
1.
 - (i) no officer of the Lobethal and District Aged Homes Inc;
 - (ii) no firm of which the officer is a member;
 - (iii) no body corporate in which the officer has a substantial financial interest;has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and the Lobethal and District Aged Homes Inc.
2. No officer of the Lobethal and District Aged Homes Inc has received directly or indirectly from the Lobethal and District Aged Homes Inc any payment or other benefit of a pecuniary value.

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

Chairman



Dep Chair



Dated this

26th day of Aug 2022

LOBETHAL AND DISTRICT AGED HOMES INC
RESTVALE
ABN 33 535 931 824 NAPS 463

BOARD OF MANAGEMENT REPORT

FOR THE YEAR ENDED 30TH JUNE 2022

The Board of Management submit the financial report of Lobethal and District Aged Homes Inc. for the financial year ended 30 June 2022.

Board Members

The names of Board Members throughout the year and at the date of this report are:

J Hennessy - Chair	K Craig - Vice Chair
J Herve - Public Officer	S Johnstone
M Fry	R Leckie
N Carter	B Tugwell
K Woods (appointed 23 November 2022)	

Principal Activity

The principal activity of the association during the financial year was to provide aged care facilities and support for the community.

Significant Changes

No significant change in the nature of the activity occurred during the year.

Operating Result


The surplus for the year was \$ 405,433.

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

Chairman



Vice Chair



Dated this

26th day of Aug 2022

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF LOBETHAL AND DISTRICT AGED HOMES INC

Report on Audit of the Financial Report

We have audited the financial report of Lobethal and District Aged Homes Inc (the association) which comprises the statement of financial position as at 30 June 2022, and the comprehensive income statement, statement of changes in equity, statement of cash flows and a summary of significant accounting policies and other explanatory notes, the statement by the members of the Board and the Board report.

In our opinion, the financial report of Lobethal and District Aged Homes Inc 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 association's financial position as at 30 June 2022 and of its financial performance for the year ended then ended; and
- (b) Complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of Australian Charities and Not-for-Profits Commission Regulations 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 association 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.

Responsibility of the Board for the Financial Report

The Board of the association is responsible for the preparation of a financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of members.

The Board's responsibility also includes such internal control as the Board determines 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 Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the association's financial reporting process.

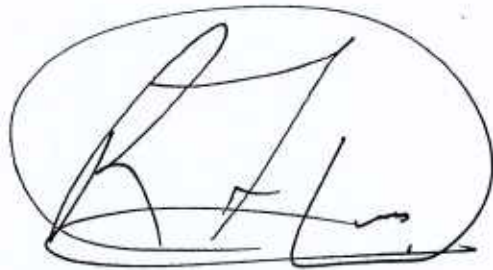
Auditor's Responsibilities for the Audit of the Financial Report

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/Home.aspx>. This description forms part of our auditor's report.

DEANE & ASSOCIATES



Richard F Deane, Principal

Date: 24th August 2022
69 Franklin Street, ADELAIDE SA

DEANE & ASSOCIATES
AUDITOR INDEPENDENCE DECLARATION

 **DEANE**
& ASSOCIATES
ABN 22 638 967 349
Chartered Accountant

69 Franklin Street
Adelaide SA 5000

PO Box 399
Rundle Mall SA 5000

Telephone (08) 8232 9905
Email: info@rdeane.com.au

To the Directors
LOBETHAL AND DISTRICT AGED HOMES INC

As lead auditor for the audit of Lobethal and District Aged Homes Inc for the year ended 30 June 2022,
I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect Lobethal and District Aged Homes Inc as a single entity.



Auditor signature
RICHARD F DEANE

Name
PRINCIPAL

Position
Deane & Associates, 69 Franklin Street, ADELAIDE

Firm and address

Date 20th April 2022