

DARLINGFORD UPPER GOULBURN NURSING HOME INC

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue & Income			
Revenue & income from operating activities	2	4,694,054	4,497,934
Revenue from non-operating activities	2	186,251	109,998
Capital purpose income	2	294,505	218,311
Total Revenue & Income		5,174,810	4,826,243
Expenses			
Employee expenses	3	(4,476,871)	(4,343,116)
Supplies and consumables	3	(218,442)	(231,359)
Other expenses	3	(590,985)	(503,270)
Depreciation	3	(258,488)	(233,832)
Total Expenses		(5,544,786)	(5,311,577)
NET RESULT FOR THE YEAR		(369,976)	(485,334)
Other Comprehensive Income			
Gain on revaluation of land and buildings		2,416,662	-
Total Other Comprehensive Income		2,416,662	-
COMPREHENSIVE RESULT		2,046,686	(485,334)

This Statement should be read in conjunction with the accompanying notes.

DARLINGFORD UPPER GOULBURN NURSING HOME INC

BALANCE SHEET AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	4	1,207,525	13,945
Receivables	5	125,115	50,451
Investments and other financial assets	6	909,097	2,653,638
Inventories	7	27,224	26,811
Other assets	8	13,400	12,885
Total current assets		2,282,361	2,757,730
Non-current assets			
Property, plant and equipment	9	8,356,091	5,994,044
Total non-current assets		8,356,091	5,994,044
TOTAL ASSETS		10,638,452	8,751,774
Current Liabilities			
Payables	10	300,044	223,822
Provisions	11	992,902	856,590
Borrowings	12	24,420	-
Other current liabilities	13	1,834,389	2,280,467
Total current liabilities		3,151,755	3,360,879
Non-current liabilities			
Provisions	11	109,676	107,152
Borrowings	12	46,592	-
Total non-current liabilities		156,268	107,152
TOTAL LIABILITIES		3,308,023	3,468,031
NET ASSETS		7,330,429	5,283,743
EQUITY			
Property, plant and equipment revaluation surplus	14a	5,554,843	3,138,181
Accumulated surplus	14b	1,775,586	2,145,562
TOTAL EQUITY		7,330,429	5,283,743

This Statement should be read in conjunction with the accompanying notes.

DARLINGFORD UPPER GOULBURN NURSING HOME INC

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		3,940,747	3,793,245
Capital grants from government		65,594	-
Patient and resident fees received		716,527	781,334
Donations and bequests received		54,876	18,755
GST received from / (paid to) ATO		20,478	(450)
Interest received		36,908	90,706
Other receipts		330,499	247,818
Total receipts		5,165,629	4,931,408
Employee expenses paid		(4,330,750)	(4,451,638)
Payments for supplies and consumables		(215,875)	(360,607)
Other payments		(591,025)	(505,983)
Total payments		(5,137,650)	(5,318,228)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	15	27,979	(386,820)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(115,726)	(15,329)
Net movement in resident monies in trust		-	(100)
Net hostel ingoing deposits / (outgoing deposit refunds)		(446,078)	(1,440,434)
Net Proceeds from / (purchase of) investments		1,744,541	930,277
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		1,182,737	(525,586)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal component of lease payments		(17,136)	0
NET CASH FLOW USED IN FINANCING ACTIVITIES		(17,136)	0
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		1,193,580	(912,406)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		13,945	926,351
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4	1,207,525	13,945

This Statement should be read in conjunction with the accompanying notes.

DARLINGFORD UPPER GOULBURN NURSING HOME INC
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Property, Plant and Equipment Revaluation Surplus \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2019	3,138,181	2,630,896	5,769,077
Net result for the year	-	(485,334)	(485,334)
Other comprehensive income	-	-	-
Balance at 30 June 2020	3,138,181	2,145,562	5,283,743
Net result for the year	-	(369,976)	(369,976)
Other comprehensive income	2,416,662	-	2,416,662
Balance at 30 June 2021	5,554,843	1,775,586	7,330,429

This Statement should be read in conjunction with the accompanying notes.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Darlingford Upper Goulburn Nursing Home Inc. (the Nursing Home or the association) (ABN 14 428 357 750) for the period ended 30 June 2021. The purpose of the report is to provide users with information about the Nursing Homes' stewardship of resources entrusted to it.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Associations Incorporation Reform Act 2012 (Vic), the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Nursing Home is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for the cash flow information, have been prepared on an 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.

The Nursing Home is a not-for profit entity and therefore applies the additional Aus. paragraphs applicable to "not-for-profit" Nursing Homes under the Accounting Standards.

The Nursing Home delivers only residential aged care services and this general purpose financial report therefore relates only to such operations.

(a) Reporting Entity

The financial statements includes all the controlled activities of Darlingford Upper Goulburn Nursing Home Inc.

Its principal address is:
High Street
Eildon Vic 3713

A description of the nature of Darlingford Upper Goulburn Nursing Home Inc's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and Funding

Darlingford Upper Goulburn Nursing Home Inc's overall objective is to provide care services for people who are no longer able to live comfortably and securely in their own homes, as well as improve the quality of life to Victorians.

Darlingford Upper Goulburn Nursing Home Inc. is predominately funded by accrual based grant funding for the provision of outputs.

(b) Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of 3 months or less), which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

(c) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

(d) Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which assets are held and the contractual cash flow characteristics of the financial asset.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Property, Plant and Equipment

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

Plant and equipment and motor vehicles are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment and motor vehicles is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the profit or loss during the financial period in which they are incurred.

(f) Fair Value of Assets and Liabilities

Darlingford Upper Goulburn Nursing Home Inc. 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.

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.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Revaluations of Non-current Physical Assets

Non-current physical assets measured at fair value are revalued with sufficient regularity to ensure that fair values do not differ materially from their carrying value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

(h) Depreciation

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services.

Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

	2021	2020
Buildings	14 to 38 years	12 to 35 years
Plant & Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture & Fittings	7 to 10 years	7 to 10 years
Motor Vehicles	6 years	6 years

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Impairment of Non-financial Assets

At the end of each reporting period Darlingford Upper Goulburn Nursing Home Inc. assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off by a charge to the profit or loss to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(j) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the association prior to the end of the financial year that are unpaid, and arise when the association becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Net 30 days.

(k) Provisions

Provisions are recognised when Darlingford Upper Goulburn Nursing Home Inc. has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Darlingford Nursing Home has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

(m) Functional and Presentation Currency

The presentation currency of Darlingford Upper Goulburn Nursing Home Inc. is the Australian dollar, which has also been identified as the functional currency of Darlingford Upper Goulburn Nursing Home Inc.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated

(n) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the Balance Sheet.

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 taxation authority, are presented as operating cash flow.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(o) Employee Benefits

Wages and Salaries, Annual Leave, Sick Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave are all recognised in the provision for employee benefits as 'current liabilities', because the nursing home does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- Undiscounted value – if the nursing home expects to wholly settle within 12 months; or
- Present value – if the nursing home does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the nursing home does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if the nursing home expects to wholly settle within 12 months; and
- Present value – if the nursing home does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

Superannuation

Contributions to defined contribution superannuation plans are expensed when incurred.

(p) Accommodation Bond/Deposit

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.

(q) Impact of Covid-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Darlingford Nursing Home was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Darlingford Upper Goulburn Nursing Home Inc operates.

Darlingford Upper Goulburn Nursing Home Inc introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- implementing reduced visitor hours
- implementing work from home arrangements where appropriate

The Government has provided additional funding to support the Nursing Home during the pandemic to assist with cash flow, retaining staff and increased costs associated with COVID-19 (refer to Note 2 for further details).

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(r) Revenue Recognition

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Fees

Revenue arising from fees is recognised when or as the performance obligation is completed and the resident receives the benefit of services being performed.

Operating Grants / Subsidies – under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

The performance obligations on Commonwealth subsidies are based on delivery of service under the Aged Care Funding Instrument (ACFI). ACFI is a tool used to measure how much subsidy a residential aged care facility receives to cover the cost of care for each resident. Every resident is assessed on the level of care they require, their daily living activities, behaviour and complex health care needs.

Operating Grants / Subsidies – under AASB 1058

Assets arising from grants in the scope of AASB 1058 (i.e. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Nursing Home at significantly below its fair value.

The Nursing Home then considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded asset and liability.

Capital Grants – under AASB 1058

Capital grants received to enable the Nursing Home to acquire or construct an item of property, plant and equipment to identified specification which will be under the Nursing Home's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project, as there is no profit margin.

For acquisition of assets, the revenue is recognised when the asset is acquired and controlled by the Nursing Home.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a reserve, such as specific restricted purpose reserve.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset, which allocates interest over the relevant period.

(s) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(t) Income Tax

Darlingford Upper Goulburn Nursing Home Inc. is an exempt body for taxation purposes under the Income Tax Assessment Act. Accordingly there is no income tax payable.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(u) Key Judgements and Estimates

The members of the Board evaluate estimates and judgments incorporated into the financial report 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 company.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Nursing Home based on known information. The consideration extends to the nature of the service offered, customers and staffing.

Key Estimates

Impairment on property, plant and equipment

Darlingford Upper Goulburn Nursing Home Inc. assesses impairment at 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.

Fair Value of land and buildings

The fair value of land and buildings has been assessed by management and a formal revaluation was performed as at 30 June 2021. Refer to note 9(b) for further information.

Key judgments

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The association expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, which will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Identifying performance obligations

Darlingford Upper Goulburn Nursing Home Inc applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring the Nursing Home to recognise revenue as or when the Nursing Home transfers promised goods or services to customers. If the criteria is not met, funding is recognised immediately in the net result of operations

Determining timing of revenue recognition

Darlingford Upper Goulburn Nursing Home Inc applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.

Determining time of capital grant income recognition

Darlingford Upper Goulburn Nursing Home Inc applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the Nursing Home's progress as this is deemed to be the most accurate reflection of the stage of completion.

(v) New or amended Accounting Standards and Interpretations adopted

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(w) Accounting Standards issued that are not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Darlingford Upper Goulburn Nursing Home Inc and their potential impact when adopted in future periods has been performed.

These include:

Standard	Adoption Date	Impact
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.

(x) Going Concern Basis

During the year ended 30 June 2021 Darlingford Upper Goulburn Nursing Home Inc achieved a deficit of \$(369,976), (2020 deficit of \$485,334).

The financial statements have been prepared on the going concern basis in consideration of the following:

- All resident accommodation bonds are backed by liquid investments.
- Darlingford Upper Goulburn Nursing Home Inc has received full accreditation.
- The Department of Health continues to support and fund Darlingford Upper Goulburn Nursing Home Inc to meet its current and future obligations as they fall due up to 31 October 2022 as advised in the letter of support signed and dated 11 October 2021. Specifically, the Department of Health has brought forward 2021-22 Q4 funding, paid in August 2021 to support Darlingford Upper Goulburn Nursing Home Inc's cash requirements.

The Association's ability to remain a going concern and to discharge its liabilities in the ordinary course of business is dependent upon the continuing financial support of the Commonwealth Government and Department of Health via government subsidies.

The Board of Governance believes that this revenue will continue to be available to the Association for the foreseeable future.

The Board has reviewed the future budgeted operating position and letter of support received from the Department of Health, and is satisfied that it is appropriate to prepare the financial statements on the going concern basis. The Association continues with the strategy to maximise government subsidy income through increasing bed occupancy as much as demand for services allow. Costs are also being reduced as part of the strategy to operate at levels established by industry benchmarks.

In addition, the Association is continually seeking opportunities to ensure operational and financial stability, and as such may seek another aged care provider to collaborate business operations with, should this opportunity arise.

(y) Economic Dependency

Darlingford Upper Goulburn Nursing Home Inc is dependent on the Department of Health and Commonwealth Government for its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department of Health and Commonwealth Government will not continue to support Darlingford Upper Goulburn Nursing Home Inc.

NOTE 2: ANALYSIS OF REVENUE & INCOME BY SOURCE	TOTAL 2021 \$	TOTAL 2020 \$
Government Grants		
- Department of Health ¹	1,815,684	1,752,055
- Commonwealth Government ²	2,112,157	2,027,854
Resident Fees		
- Residential Aged Care Fees	766,213	718,025
Total Revenue & Income from Operating Activities	4,694,054	4,497,934
Interest	29,790	61,736
Other Revenue from Non-Operating Activities	156,461	48,262
Total Revenue from Non-Operating Activities	186,251	109,998
State Government Capital Grants	65,594	-
Residential Accommodation Payments	174,035	199,556
Donations and Bequests	54,876	18,755
Total Capital Purpose Income	294,505	218,311
Total Revenue & Income	5,174,810	4,826,243

¹ The Department of Health contributed \$500,000 of additional funding in 2020/21 to support operations (2019/20: \$500,000).

² Government Grants includes \$128,240 of funding support for COVID-19 impact on operations (2019/20: \$96,693).

Impact of COVID-19 on revenue and income

Darlingford Upper Goulburn Nursing Home Inc's response to the pandemic included additional screening of visitors and reduced client activities. This resulted in the Nursing Home incurring lost revenue as well as direct and indirect COVID-19 costs. The Commonwealth provided funding which was spent due to COVID-19 impacts on Darlingford Upper Goulburn Nursing Home Inc. The Department of Health provided the Nursing Home with access to PPE free of charge via the state supply.

NOTE 3: ANALYSIS OF EXPENSE BY SOURCE	TOTAL 2021 \$	TOTAL 2020 \$
Employee Expenses		
Salaries & Wages	4,059,758	3,887,484
Work Cover	70,563	77,876
Long Service Leave	(16,393)	23,504
Superannuation	362,943	354,252
Total Employee Expenses	4,476,871	4,343,116
Supplies and Consumables		
Medical, Surgical Supplies and Prosthesis	71,110	75,929
Food Supplies	147,332	155,430
Total Supplies and Consumables	218,442	231,359
Other Expenses from Continuing Operations		
Domestic Services & Supplies	83,994	76,989
Fuel, Light, Power and Water	104,621	137,964
Repairs & Maintenance	30,966	33,149
Maintenance Contracts	46,527	42,523
Administrative Expenses ¹	324,877	199,734
Loss on Disposal of Property, Plant & Equipment	-	12,911
Total Other Expenses from Continuing Operations	590,985	503,270
Depreciation and Amortisation		
Buildings	201,893	201,705
Plant and Equipment		
- Plant	28,267	24,540
- Motor Vehicles	7,587	7,587
ROU leased assets	20,741	-
TOTAL DEPRECIATION AND AMORTISATION	258,488	233,832
TOTAL EXPENSES	5,544,786	5,311,577

¹ Administrative Expenses includes audit fee of \$24,000 in 2020/21 (VAGO) and \$19,500 in 2019/20 (VAGO).

Impact of Covid-19 on expenses

Darlingford Upper Goulburn Nursing Home Inc's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional medical supplies, increased preventative cleaning measures and maintenance of salary levels for casual and part-time employees and redeployment of staff where activities have been impacted by shutdowns.

NOTE 4: CASH AND CASH EQUIVALENTS	2021	2020
	\$	\$
Cash on Hand	574	574
Cash at Bank	1,206,951	13,371
TOTAL	1,207,525	13,945
Represented by:		
Cash for Nursing Home Operations	282,233	13,727
Cash for Monies Held in Trust	925,292	218
TOTAL CASH AND CASH EQUIVALENTS	1,207,525	13,945
 NOTE 5: RECEIVABLES		
CURRENT	2021	2020
Contractual	\$	\$
Resident Fees	85,769	36,081
Accrued Revenue - Other	3,431	10,549
Commonwealth Benefits Receivable	35,915	3,821
TOTAL RECEIVABLES	125,115	50,451
 Note 6: INVESTMENTS AND OTHER FINANCIAL ASSETS		
CURRENT	2021	2020
<i>Term Deposit</i>	\$	\$
Aust. Dollar term Deposits > 3 months	909,097	2,653,638
TOTAL	909,097	2,653,638
Represented by:		
Nursing Home Investments	-	373,389
Monies Held in Trust	909,097	2,280,249
TOTAL OTHER FINANCIAL ASSETS	909,097	2,653,638
 NOTE 7: INVENTORIES		
	2021	2020
	\$	\$
Catering/Housekeeping Supplies	7,648	9,934
Administration Supplies	3,735	3,091
Medical and Surgical Lines	15,841	13,786
TOTAL INVENTORIES	27,224	26,811
 NOTE 8: OTHER ASSETS		
CURRENT	2021	2020
	\$	\$
Prepayments	13,400	12,885
TOTAL OTHER ASSETS	13,400	12,885

NOTE 9: PROPERTY, PLANT & EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	2021	2020
	\$	\$
Land		
- Land at Valuation	500,000	247,880
Total Land	500,000	247,880
Buildings		
- Buildings at Valuation	7,606,000	6,402,120
Less Accumulated Depreciation	-	(861,477)
	<u>7,606,000</u>	<u>5,540,643</u>
- Building Improvements at Fair Value	-	106,438
Less Accumulated Depreciation	-	(10,142)
	<u>-</u>	<u>96,296</u>
Total Buildings	7,606,000	5,636,939
Plant & Equipment		
- Plant and Equipment at Cost	893,048	783,735
Less Accumulated Depreciation	(724,514)	(696,247)
Total Plant and Equipment	168,534	87,488
Motor Vehicles		
- Motor Vehicles at Cost	37,934	37,934
Less Accumulated Depreciation	(23,784)	(16,197)
Total Motor Vehicles	14,150	21,737
Right of Use Leased Assets		
- ROU Leased Assets at Cost	88,148	-
Less Accumulated Depreciation	(20,741)	-
Total Right of Use Leased Assets	67,407	-
TOTAL	8,356,091	5,994,044

NOTE 9: PROPERTY, PLANT & EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

	Land	Buildings	Plant & Equipment	Motor Vehicle	ROU Leased	Total
	\$	\$	\$			\$
Balance at 1 July 2019	247,880	5,831,156	104,188	29,323	-	6,212,547
Additions	-	7,488	20,752	-	-	28,240
Disposals	-	-	(12,911)	-	-	(12,911)
Depreciation and Amortisation	-	(201,705)	(24,540)	(7,587)	-	(233,832)
Revaluation	-	-	-	-	-	-
Balance at 1 July 2020	247,880	5,636,939	87,489	21,736	-	5,994,044
Additions	-	6,412	109,313	-	88,148	203,873
Disposals	-	-	-	-	-	-
Depreciation and Amortisation	-	(201,893)	(28,267)	(7,587)	(20,741)	(258,488)
Revaluation	252,120	2,164,542	-	-	-	2,416,662
Balance at 30 June 2021	500,000	7,606,000	168,535	14,149	67,407	8,356,091

Land and buildings carried at valuation

An independent valuation of the Nursing Home's land & buildings was performed by the Opteon Property Group to determine the value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation is 30 June 2021.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values, being land and buildings.

	2021	2020
	\$	\$
Balance at 1 July	5,884,819	6,079,036
Depreciation/Amortisation	(201,893)	(201,705)
Additions	6,412	7,488
Revaluation Increment/(Decrement)	2,416,662	-
Balance at 30 June	8,106,000	5,884,819

NOTE 10: PAYABLES

	2021	2020
	\$	\$
CURRENT		
Contractual		
Trade Creditors	128,440	115,944
Accrued Expenses	7,000	21,016
Accrued Audit Fees	19,500	15,000
Department of Health - Income in advance (contract liability)	45,000	-
Other Payables	495	17
	<u>200,435</u>	<u>151,977</u>
Statutory		
PAYG Payable	75,832	68,546
Tax Liability	23,777	3,299
	<u>99,609</u>	<u>71,845</u>
TOTAL	<u><u>300,044</u></u>	<u><u>223,822</u></u>

NOTE 11: PROVISIONS

	2021	2020
	\$	\$
Current Provisions		
Annual Leave	528,329	397,902
Accrued Salaries and Wages	38,267	22,016
Accrued Days Off	16,427	7,876
Unconditional Long Service Leave	409,879	428,796
Total Current Provisions	<u>992,902</u>	<u>856,590</u>
Non-Current Provisions		
Conditional Long Service Leave	109,676	107,152
Total Non-Current Provisions	<u>109,676</u>	<u>107,152</u>
Total Provisions	<u><u>1,102,578</u></u>	<u><u>963,742</u></u>

NOTE 12: BORROWINGS	2021	2020
	\$	\$
Current Borrowings		
Lease liability (i)	24,420	-
Total Current Borrowings	<u>24,420</u>	<u>-</u>
Non-Current Borrowings		
Lease liability (i)	46,592	-
Total Non-Current Borrowings	<u>46,592</u>	<u>-</u>
Total Borrowings	<u>71,012</u>	<u>-</u>

(i) Secured by the assets leased.

Darlingford Upper Goulburn Nursing Home entered into a lease liability for solar panels in the 2018/19 financial year, this was not previously recognised on the balance sheet. The duration of the lease is for 6 years maturing on 25 September 2024 with the option of an extended lease term.

NOTE 13: OTHER LIABILITIES	2021	2020
	\$	\$
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	218	218
- Accommodation Bonds	1,834,171	2,280,249
Total Current Other Liabilities	<u>1,834,389</u>	<u>2,280,467</u>
TOTAL OTHER LIABILITIES	<u>1,834,389</u>	<u>2,280,467</u>
TOTAL MONIES HELD IN TRUST		
Represented by the following assets:		
Cash Assets (refer Note 4)	925,292	218
Other Financial Assets (refer to Note 6)	909,097	2,280,249
TOTAL	<u>1,834,389</u>	<u>2,280,467</u>

NOTE 14: RESERVES	2021	2020
(a) Reserves	\$	\$
Property, Plant & Equipment Revaluation Reserve ⁽ⁱ⁾		
Balance at beginning of the Reporting Period		
- Buildings	2,930,801	2,930,801
- Land	207,380	207,380
Revaluation Increment/(Decrements)		
- Buildings	2,164,542	-
- Land	252,120	-
Balance at the end of the reporting period	<u>5,554,843</u>	<u>3,138,181</u>
Represented by:		
- Buildings	5,095,343	2,930,801
- Land	459,500	207,380
Total Reserves	<u>5,554,843</u>	<u>3,138,181</u>
 (i) The property, plant & equipment asset revaluation reserve arises on the revaluation of property, plant & equipment.		
(b) Accumulated Surpluses		
Balance at the beginning of the reporting period	2,145,562	2,630,896
Net Result for the Year	(369,976)	(485,334)
Balance at the end of the reporting period	<u>1,775,586</u>	<u>2,145,562</u>
Total Equity at Reporting Date	<u>7,330,429</u>	<u>5,283,743</u>

NOTE 15: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2021	2020
	\$	\$
NET RESULT FOR THE PERIOD	(369,976)	(485,334)
Depreciation & Amortisation	258,488	233,832
Net (Gain)/Loss from Non-Financial Assets	-	-
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	76,222	(105,144)
Increase/(Decrease) in Employee Benefits	138,835	(125,940)
(Increase)/Decrease in Prepayments	(518)	320
(Increase)/Decrease in Receivables	(74,662)	105,615
(Increase)/Decrease in Stores	(410)	(10,169)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>27,979</u>	<u>(386,820)</u>

NOTE 16: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The nursing home applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categorisation of financial instruments

	Contractual financial assets - amortised cost	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2021			
Financial Assets			
Cash and cash equivalents	1,207,525	-	1,207,525
Receivables	125,115	-	125,115
Term Deposits	909,097	-	909,097
Total Financial Assets (i)	2,241,737	-	2,241,737
Financial Liabilities			
Payables	-	200,435	200,435
Borrowings (lease liability)	-	71,012	71,012
Other Liabilities	-	1,834,389	1,834,389
Total Financial Liabilities(ii)	-	2,105,836	2,105,836

	Contractual financial assets at amortised cost	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2020			
Financial Assets			
Cash and cash equivalents	13,945	-	13,945
Receivables	50,451	-	50,451
Term Deposits	2,653,638	-	2,653,638
Total Financial Assets (i)	4,666,332	-	2,718,034
Financial Liabilities			
Payables	-	151,977	151,977
Other Liabilities	-	2,280,467	2,280,467
Total Financial Liabilities(ii)	-	2,432,444	2,432,444

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here includes PAYG payable but excludes statutory payables (i.e. Taxes payable)

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(a) Financial Risk Management Objectives and Policies (Continued)

Net holding gain/(loss) on financial instruments by category

	Total interest				Total \$'000
	Net holding gain/(loss) \$'000	income/ (expense) \$'000	Fee income / (expense) \$'000	Impairment loss \$'000	
2021					
Financial Assets					
At amortised cost	-	29,790	-	-	29,790
Total Financial Assets	-	29,790	-	-	29,790
Financial Liabilities					
At amortised cost	-	(11,112)	-	-	(11,112)
Total Financial Liabilities	-	(11,112)	-	-	(11,112)
2020					
Financial Assets					
Loans and Receivables	-	61,736	-	-	61,736
Total Financial Assets	-	61,736	-	-	61,736
Financial Liabilities					
At amortised cost	-	(29,810)	-	-	(29,810)
Total Financial Liabilities	-	(29,810)	-	-	(29,810)

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Nursing Home, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Nursing Home's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Nursing Home. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Nursing Home's contractual financial assets is minimal because the main debtor is the Commonwealth and Victorian Government.

In addition, the Nursing Home does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Nursing Home's policy is to only deal with banks with high credit ratings.

Impairment of financial assets under AASB 9

The Nursing Home has been recording the allowance for expected credit loss for the relevant financial instruments with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Nursing Home's contractual receivables and statutory receivables.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Darlingford Upper Goulburn Nursing Home maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk (Continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AA credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other \$	Total \$
2021					
Financial Assets at amortised cost					
Cash and Cash Equivalents	1,207,525	-	-	-	1,207,525
Trade Debtors	-	-	-	85,769	85,769
Other Receivables (i)	3,431	35,915	-	-	39,346
Term Deposit	909,097	-	-	-	909,097
Total Financial Assets	2,120,053	35,915	-	85,769	2,241,737
2020					
Financial Assets					
Cash and Cash Equivalents	13,945	-	-	-	13,945
Trade Debtors	-	-	-	36,081	36,081
Other Receivables (i)	10,549	3,821	-	-	14,370
Term Deposit	2,653,638	-	-	-	2,653,638
Total Financial Assets	2,678,132	3,821	-	36,081	2,718,034

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Ageing analysis of financial asset as at 30 June

	Total Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
2021							
Financial Assets at amortised cost							
Cash and Cash Equivalents	1,207,525	1,207,525	-	-	-	-	-
Trade Debtors	85,769	12,186	17,335	9,833	39,042	-	7,373
Other Receivables	39,346	39,346	-	-	-	-	-
Term Deposit	909,097	909,097	-	-	-	-	-
Total Financial Assets	2,241,737	2,168,154	17,335	9,833	39,042	-	7,373
2020							
Financial Assets at amortised cost							
Cash and Cash Equivalents	13,945	13,945	-	-	-	-	-
Trade Debtors	36,081	22,474	8,672	2,521	-	-	2,414
Other Receivables	14,370	14,370	-	-	-	-	-
Term Deposit	2,653,638	2,653,638	-	-	-	-	-
Total Financial Assets	2,718,034	2,704,427	8,672	2,521	-	-	2,414

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Nursing Home would be unable to meet its financial obligations as and when they fall due.

The Nursing Home's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Nursing Home manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Nursing Home from month to month.

The following table discloses the contractual maturity analysis for Darlingford Upper Goulburn Nursing Home Inc's financial liabilities.

Maturity analysis of financial liabilities as at 30 June

	Total Carrying Amount	Contractual Cash Flows	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
	\$	\$	\$	\$	\$	\$
2021						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	200,435	200,435	200,435	-	-	-
Other Financial Liabilities (i)						
- Accommodation Bonds/Deposits (ii)	1,834,171	1,834,171	-	500,000	1,334,171	-
- Borrowings (lease liability)	71,012	72,524	2,025	4,024	17,658	48,817
- Other	218	218	218	-	-	-
Total Financial Liabilities	2,105,836	2,107,348	202,678	504,024	1,351,829	48,817
2020						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	151,977	151,977	151,977	-	-	-
Other Financial Liabilities (i)						
- Accommodation Bonds/Deposits (ii)	2,280,249	2,280,249	-	500,000	1,780,249	-
- Other	218	218	218	-	-	-
Total Financial Liabilities	2,432,444	2,432,444	152,195	500,000	1,780,249	-

(i) Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e. GST Payable)

(ii) Accommodation Bonds/Deposits are due for maturity and payable to residents within 14 days of departure. Maturity dates above for Bonds/Deposits are estimates.

(d) Market Risk

Darlingford Upper Goulburn Nursing Home Inc's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

Currency Risk

Darlingford Upper Goulburn Nursing Home Inc. is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risk's arise primarily through the Darlingford Upper Goulburn Nursing Home Inc's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial liabilities, the Nursing Home mainly undertake financial liability with relatively even maturity profiles.

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

Other Price Risk

The Nursing Home is exposed to normal price fluctuations from time to time through market forces.
Where adequate notice is provided by suppliers, additional purchases are made for long term goods.
Supplier contracts are also in place for major product lines purchased by the Nursing Home on a monthly basis.
These contracts have set price arrangements and are reviewed on a regular basis.

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June 2021

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non - Interest Bearing \$
2021					
Financial Assets at amortised cost					
Cash and Cash Equivalents	0.01	1,207,525	-	1,207,325	200
Trade Debtors	0.00	85,769	-	-	85,769
Other Receivables (i)	0.00	39,346	-	-	39,346
Term Deposit	0.74	909,097	909,097	-	-
Total Financial Assets		2,241,737	909,097	1,207,325	125,315
Financial Liabilities					
<i>At amortised cost</i>					
Payables (i)	0.00	200,435	-	-	200,435
Other Financial Liabilities					
- Accommodation Bonds	0.00	1,834,171	-	-	1,834,171
- Borrowings (lease liability)	5.50	71,012	71,012	-	-
- Other	0.00	218	-	-	218
Total Financial Liabilities		2,105,836	71,012	-	2,034,824

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June 2020

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non - Interest Bearing \$'000
2020					
Financial Assets					
Cash and Cash Equivalents	0.75	13,945	-	13,745	200
Loans and Receivables (i)					
- Trade Debtors	0.00	36,081	-	-	36,081
- Other Receivables	0.00	14,370	-	-	14,370
- Term Deposit	1.80	2,653,638	2,653,638	-	-
Total Financial Assets		2,718,034	2,653,638	13,745	50,651
Financial Liabilities					
<i>At amortised cost</i>					
Payables (i)	0.00	151,977	-	-	151,977
Other Financial Liabilities					
- Accommodation Bonds	0.00	2,280,249	-	-	2,280,249
- Other	0.00	218	-	-	218
Total Financial Liabilities		2,432,444	-	-	2,432,444

(i) The carrying amount must exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Darlingford Upper Goulburn Nursing Home Inc. Service believes the following movements are 'reasonably possible' over the next 12 months.

- A shift of 100 basis points up and down in market interest rates (AUD)

The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument held by Darlingford Upper Goulburn Nursing Home Inc. at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity
2021	\$	\$	\$	\$	\$
Financial Assets at amortised cost					
Cash and Cash Equivalents	1,207,525	(12,075)	(12,075)	12,075	12,075
Trade Debtors	85,769	-	-	-	-
Other Receivables	39,346	-	-	-	-
Term Deposit	909,097	(9,091)	(9,091)	9,091	9,091
Financial Liabilities					
<i>At amortised cost</i>					
Payables	200,435	-	-	-	-
Other Financial Liabilities					
- Accommodation Bonds	1,834,171	-	-	-	-
- Borrowings (lease liability)	71,012	-	-	-	-
- Other	218	-	-	-	-
		(21,166)	(21,166)	21,166	21,166

	Carrying Amount	Interest Rate Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity
2020	\$	\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents	13,945	(139)	(139)	139	139
Loans and Receivables					
- Trade Debtors	36,081	-	-	-	-
- Other Receivables	14,370	-	-	-	-
- Term Deposit	2,653,638	(26,536)	(26,536)	26,536	26,536
Financial Liabilities					
<i>At amortised cost</i>					
Payables	151,977	-	-	-	-
Other Financial Liabilities					
- Accommodation Bonds	2,280,249	-	-	-	-
- Other	218	-	-	-	-
		(26,676)	(26,676)	26,676	26,676

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Nursing Home considers that the carrying amount of financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value

	Total Carrying Amount	Fair Value	Total Carrying Amount	Fair Value
	2021 \$	2021 \$	2020 \$	2020 \$
Financial Assets at amortised cost				
Cash and Cash Equivalents	1,207,525	1,207,525	13,945	13,945
Trade Debtors	85,769	85,769	36,081	36,081
Other Receivables (i)	39,346	39,346	14,370	14,370
Term Deposits	909,097	909,097	2,653,638	2,653,638
Total Financial Assets	2,241,737	2,241,737	2,718,034	2,718,034
Financial Liabilities				
<i>At amortised cost</i>				
Payables	200,435	200,435	151,977	151,977
Other Financial Liabilities (i)				
- Accommodation Bonds	1,834,171	1,834,171	2,280,249	2,280,249
- Borrowings	71,012	71,012	-	-
- Other	218	218	218	218
Total Financial Liabilities	2,105,836	2,105,836	2,432,444	2,432,444

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable).

NOTE 17: COMMITMENTS FOR EXPENDITURE

2021 2020
\$ \$

Capital expenditure commitments

Less than one year

45,000 -

Total capital expenditure commitments

45,000 -

Total commitments for expenditure (exclusive of GST)

45,000 -

Less GST recoverable from Australian Tax Office

(4,091) -

Total commitments for expenditure (exclusive of GST)

40,909 -

NOTE 18: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no known contingent assets or contingent liabilities for Darlingford Upper Goulburn Nursing Home as at 30 June 2021 (2020: nil).

NOTE 19: RESPONSIBLE PERSON DISCLOSURES

The name and positions of key management personnel are:

Governing Board

Mrs Helen Findlay
Mr Kevin Boote
Mrs Debra Loveday
Mr Frank Devries
Ms Alison Dyson
Mr Peter Fletcher

Period
01/07/2020 - 30/06/2021
01/07/2020 - 30/06/2021
01/07/2020 - 30/06/2021
01/07/2020 - 30/06/2021
01/07/2020 - 30/06/2021
01/07/2020 - 30/06/2021

Accountable Officers

Ms Judith Brookes

01/07/2020 - 30/06/2021

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands;

Income Band

\$0 - \$9,999
\$170,000 - \$179,999

Total Numbers

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

Total Remuneration	
2021	2020
No.	No.
6	6
1	1
7	7
\$177,695	\$172,083

KEY MANAGEMENT PERSONNEL

Any person(s) having responsibility and authority for planning, directing and controlling the activities of the Association, directly or indirectly, including the Board of Directors, is considered Key Management Personnel.

Key Management Personnel Compensation

Compensation	2021	2020
	\$	\$
Short term employee benefits	160,525	155,400
Post-employment benefits	12,837	12,350
Other long-term benefits	4,333	4,333
Termination benefits	-	-
Total	177,695	172,083

Other Transactions of Responsible Persons and their Related Parties

No responsible person or their related parties received any remuneration or retirement benefits during the year.

NOTE 20: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Covid-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Darlingford Upper Goulburn Nursing Home at the reporting date. As responses by government continue to evolve, management recognises it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Darlingford Upper Goulburn Nursing Home, its operations, its future results and financial position. The state of emergency in Victoria was updated on 23 September 2021 to 21 October 2021 and the state of disaster remains in place.

DARLINGFORD UPPER GOULBURN NURSING HOME INC

FINANCIAL DECLARATION FOR RESPONSIBLE PERSON

The Directors of Darlingford Upper Goulburn Nursing Home Inc (as Responsible Persons) declare that in the Responsible Persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012, the Associations Incorporation Reform Act 2012 (VIC) and the Australian Accounting Standards.
- (c) the financial reports give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the incorporation.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Kevin Boote
Chairperson
Eildon



Tony Jacobs
Committee Member
Eildon

Dated this 21st day of OCTOBER 2021.

Auditor-General's Independence Declaration

To the Board of Directors, Darlingford Upper Goulburn Nursing Home Inc

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Darlingford Upper Goulburn Nursing Home Inc for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
26 October 2021

Travis Derricott
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Board of Darlingford Upper Goulburn Nursing Home Inc

Opinion	<p>I have audited the financial report of Darlingford Upper Goulburn Nursing Home Inc (the nursing home) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • financial declaration for responsible person. <p>In my opinion the financial report is in accordance with the <i>Associations Incorporation Reform Act 2012 (Vic)</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the nursing home as at 30 June 2021 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards, the <i>Associations Incorporation Reform Act 2012</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the nursing home in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the nursing home is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Associations Incorporation Reform Act 2012 (Vic)</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the nursing home'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 it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the nursing home's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the nursing home's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the nursing home to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

