

DARLINGFORD UPPER GOULBURN NURSING HOME INC

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue & Income			
Revenue	2	6,474,584	6,260,023
Other income	2	260,697	470,991
Total Revenue & Income		6,735,281	6,731,014
Expenses			
Employee expenses	3	(4,996,786)	(4,790,237)
Supplies and consumables	3	(214,867)	(231,164)
Other expenses	3	(964,933)	(946,592)
Depreciation and amortisation	3	(491,258)	(455,818)
Total Expenses		(6,667,844)	(6,423,811)
NET RESULT FOR THE YEAR		67,437	307,203
Other Comprehensive Income			
Gain on revaluation of land and buildings	11	438,747	362,000
Total Other Comprehensive Income		438,747	362,000
COMPREHENSIVE RESULT		506,184	669,203

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

DARLINGFORD UPPER GOULBURN NURSING HOME INC

BALANCE SHEET AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
Current Assets			
Cash and cash equivalents	4	1,417,274	833,584
Receivables	5	222,516	157,351
Investments and other financial assets	6	2,847,862	3,798,226
Inventories		30,169	29,686
Prepayments		22,855	27,831
Total current assets		4,540,676	4,846,678
Non-current assets			
Property, plant and equipment	7	9,178,703	9,068,055
Total non-current assets		9,178,703	9,068,055
TOTAL ASSETS		13,719,379	13,914,733
Current Liabilities			
Payables	8	293,263	276,651
Provisions	9	1,440,439	1,115,657
Other current liabilities	10	2,856,557	3,753,548
Total current liabilities		4,590,259	5,145,856
Non-current liabilities			
Provisions	9	60,326	206,267
Total non-current liabilities		60,326	206,267
TOTAL LIABILITIES		4,650,585	5,352,123
NET ASSETS		9,068,794	8,562,610
EQUITY			
Property, plant and equipment revaluation surplus	11	7,252,533	6,813,786
Accumulated surplus		1,816,261	1,748,824
TOTAL EQUITY		9,068,794	8,562,610

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 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		5,541,571	5,171,843
Patient and resident fees received		651,767	711,253
Donations and bequests received		35,942	144,437
Net GST received from / (paid to) ATO		15,536	(22,156)
Interest received		185,132	149,809
Other receipts		310,602	417,083
Total receipts		6,740,550	6,572,269
Employee expenses paid		(4,810,847)	(4,867,818)
Payments for supplies and consumables		(334,051)	(153,689)
Other payments		(902,176)	(948,174)
Total payments		(6,047,074)	(5,969,681)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		693,476	602,588
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(163,159)	(198,623)
Proceeds from sale of non-financial assets		-	21,818
Net hostel ingoing deposits / (outgoing deposit refunds)		(896,991)	(508,783)
Net Proceeds from / (purchase of) investments		950,364	(244,102)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(109,786)	(929,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal component of lease payments		-	(28,855)
NET CASH FLOW USED IN FINANCING ACTIVITIES		-	(28,855)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		583,690	(355,957)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		833,584	1,189,541
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4	1,417,274	833,584

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 2025**

	Property, Plant and Equipment Revaluation Surplus \$	Accumulated Surplus \$	Total \$
Balance at 1 July 2023	6,451,786	1,441,621	7,893,407
Net result for the year	-	307,203	307,203
Asset revaluation surplus	362,000	-	362,000
Balance at 30 June 2024	6,813,786	1,748,824	8,562,610
Net result for the year	-	67,437	67,437
Asset revaluation surplus	438,747	-	438,747
Balance at 30 June 2025	7,252,533	1,816,261	9,068,794

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

NOTE 1 : SUMMARY OF MATERIAL 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 year ended 30 June 2025. 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 financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060), the Associations Incorporation Reform Act 2012 (Vic) and the Australian Charities and Not-for-profits Commission Act 2012. The Association 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.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The Association's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1).

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements have been prepared on a going concern basis.

The amounts presented in the financial statements have been rounded to the nearest dollar.

The annual financial statements were authorised for issue by the Board of Darlingford Upper Goulburn Nursing Home Inc. on 30 October 2025.

(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) Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements. These estimates and judgements are based on historical knowledge and the best available current information and assume any reasonable expectation of future events. Actual results may differ. Revisions to estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ended 30 June 2025 are included in the following notes:

- Note 1(o) and Note 2: Revenue & Income – including timing of revenue recognition and grant classification under AASB 15 and AASB 1058.
- Note 1(f)–(j) and Note 7: Property, Plant and Equipment – including useful lives, depreciation rates, impairment assessments, and revaluation.
- Note 9: Provisions – measurement of employee benefits (annual leave and long service leave).

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(c) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand and at bank and demand deposits with original maturities of 3 months or less. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an 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.

(d) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Association becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets - Classification

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses are recognised in profit or loss any gain or loss on derecognition is recognised in profit or loss.

Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Association may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Association may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets at Fair Value through Profit or Loss (FVTPL)

These assets are measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial Liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired.
- the Association retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement.
- the Association has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset.
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Association has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Association's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Comprehensive Operating Statement.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Impairment of financial assets

The Association measures loss allowances at an amount equal to lifetime expected credit losses (ECLs), except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Association's historical experience and informed credit assessment and including forward-looking information.

The Association assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(e) Impairment of financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Association expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Association assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(f) 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

Land and buildings are recorded at fair value as indicated less, any accumulated depreciation and impairment losses. An annual fair value assessment is made of Land and Buildings and are subject to an independent valuation every 3-5 years. Land and Buildings were revalued at 30 June 2021 based on an independent valuers assessment performed by Opteon Property Group.

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.

(g) 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.

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(g) Fair Value of Assets and Liabilities (continued)

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.

(h) 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 transferred to accumulated funds on derecognition of the relevant asset.

(i) 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.

	2025	2024
Buildings	10 to 38 years	14 to 38 years
Plant & Equipment	3 to 10 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	5 years	5 years

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(j) 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. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For assets measured at revalued amounts, the impairment loss is first offset against any revaluation surplus for that asset class before being recognized in profit or loss.

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.

(k) 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.

(l) 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 within 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.

(m) Employee Benefits

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long Service Leave (LSL)

The Association's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Superannuation

Contributions to defined contribution superannuation plans are expensed when incurred.

(n) 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 and resident accommodation bonds are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. These liabilities are classified as current liabilities as they are repayable upon the resident's departure, and the entity does not have an unconditional right to defer settlement for at least twelve months.

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(o) 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) until 30 September, 2024 and under the Australian National Aged Care Classification (AN-ACC) funding model from 1 October, 2024. ACFI and AN-ACC are tools 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 income

Interest income 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.

(p) Comparative Information

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

(q) 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 MATERIAL ACCOUNTING POLICIES

(r) 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.

(s) Going Concern Basis

For the year ended 30 June 2025 Darlingford Upper Goulburn Nursing Home Inc achieved a net result surplus of \$67,437, in comparison to a 2024 surplus of \$307,203. Net cash inflow from operating activities for the year ended 30 June 2025 was \$693,476, in comparison to a 2024 cash inflow of \$602,588.

The Board of Management has evaluated Darlingford Upper Goulburn Nursing Home Inc.'s ability to continue as a going concern in accordance with AASB 101 (Presentation of Financial Statements). This assessment considered several key factors. While the operational surplus of \$307,203 in 2023/24 declined to an operational profit of \$67,437 in 2024/25, there are additional factors that could raise concerns or potentially cast significant doubt on the entity's financial viability. These include:

- Liquidity for 2024/25 increased to 0.99, up from 0.94 in 2023/24, which is below the desired benchmark of 1.0.

- Occupancy at Darlingford Upper Goulburn Nursing Home Inc has steadily declined over the last four years from 76% in 2021/22 to 69% in 2022/23, 62% in 2023/24 and then 56% in 2024/25.

However, concerns about ongoing viability should be reduced in consideration of the following:

- All resident accommodation bonds are backed by liquid investments. Even though all accommodation bonds are shown as a current liability on the statement of financial position, only a portion is expected to be refunded within twelve months.

- Darlingford Upper Goulburn Nursing Home Inc has received full accreditation. The facilities full accreditation reflects its compliance with governing and prudential standards enhancing the Association's credibility and reducing risk to occupancy challenges.

- The FY26 budget for Darlingford Upper Goulburn Nursing Home Inc. provides for an operating surplus prior to depreciation of \$462,000.

- Darlingford Upper Goulburn Nursing Home Inc. operates with no debt obligations, allowing resources to be fully directed toward improving care and expanding services. This debt-free status provides a strong foundation and significant financial flexibility, enhancing the Association's capacity to respond effectively to emerging opportunities and challenges.

- The Department of Health (Victoria) and the Commonwealth Government continued their support and funding for Darlingford Upper Goulburn Nursing Home Inc. in the 2024/25 financial year. The Board of Management has no reason to anticipate a discontinuation of this support in the foreseeable future.

The relativity of the going concern assessment has been based on the following assumptions:

- That the Department of Health (Vic) and the Commonwealth Government continue to support and fund Darlingford Upper Goulburn Nursing Home Inc. for 2025/26.

- Permitted uses of Refundable Accommodation Deposits (RADs) are recognised by the Department of Health (Vic) when assessing cash flows.

- That Darlingford Upper Goulburn Nursing Home Inc. continues to have no debt or borrowings.

NOTE 1 : SUMMARY OF MATERIAL ACCOUNTING POLICIES

(s) Going Concern Basis (continued)

- Receipt of increased Residential Aged Care funding from the Commonwealth under the Australian National Aged Care Classification (AN-ACC) model.
- Ability to reduce costs through streamlining activities and processes.
- Continuation of strategies to maximize government subsidy income by achieving high occupancy levels, as demand allows.
- Ongoing pursuit of opportunities to ensure both short-term operational efficiency and long-term financial viability.

Management have a reasonable expectation that Darlingford Upper Goulburn Nursing Home has adequate resources to continue to meet all of its obligations as and when they fall due. They continue to adopt the going concern basis in preparing the financial report of Darlingford Upper Goulburn Nursing Home at 30 June 2025.

(t) Economic Dependency

Darlingford Upper Goulburn Nursing Home Inc is dependent on the Commonwealth Government and Department of Health (Vic) for the majority of its revenue used to operate the Association.

(u) Subsequent Events After Reporting Date

There have been no events identified occurring subsequent to the reporting date that would require adjustment to, or disclosure in, these financial statements.

NOTE 2: REVENUE & INCOME		2025	2024
	Note	\$	\$
Note 2.1 Revenue and income			
Revenue	2.1(a)	6,474,584	6,260,023
Other income	2.1(b)	260,697	470,991
Total revenue and income		6,735,281	6,731,014
 Note 2.1(a) Revenue			
<u>Revenue from contracts under AASB 15</u>			
Government grants (State) - Operating		1,634,720	1,384,312
Government grants (Commonwealth) - Operating		3,919,774	3,873,891
Patient and resident fees		690,560	708,496
Residential Accommodation Payments		193,588	148,887
		6,438,642	6,115,586
<u>Timing of revenue recognition</u>			
Over time		6,438,642	6,115,586
		6,438,642	6,115,586
 <u>Revenue recognised under AASB 1058</u>			
Donations		35,942	144,437
		35,942	144,437
Total Revenue		6,474,584	6,260,023
 Note 2.1(b) Other income			
Other income		117,014	268,196
Interest income		143,683	180,977
Net Gain/(Loss) on Disposal of Non-Financial Assets		-	21,818
Total other income		260,697	470,991

NOTE 3: EXPENSES	2025	2024
	\$	\$
Employee Expenses		
Salaries & Wages - including annual leave	4,145,932	4,214,195
Work Cover	253,530	145,260
Long Service Leave	127,147	(7,953)
Superannuation	470,177	438,735
Total Employee Expenses	4,996,786	4,790,237
Supplies and Consumables		
Medical & Surgical Supplies	58,638	70,077
Food Supplies	156,229	161,087
Total Supplies and Consumables	214,867	231,164
Other Expenses		
Domestic Services & Supplies	75,009	98,539
Fuel, Light, Power and Water	109,793	90,693
Repairs & Maintenance	40,542	37,407
Maintenance Contracts	43,331	43,815
Agency ¹	207,031	176,389
Administrative Expenses ²	489,227	499,749
Total Other Expenses	964,933	946,592
Depreciation and Amortisation		
Buildings	401,276	361,969
Plant and Equipment		
- Plant	81,659	68,091
- Motor Vehicles	8,323	5,017
ROU leased assets	-	20,741
Total Depreciation and Amortisation	491,258	455,818
TOTAL EXPENSES	6,667,844	6,423,811

¹ Agency was reported under Salaries & Wages in the 2024 Financial Reports.

² Administrative Expenses includes audit fee of \$68,450 in 2024/25 (VAGO) and \$30,200 in 2023/24 (VAGO).

NOTE 4: CASH AND CASH EQUIVALENTS	2025	2024
	\$	\$
Cash on Hand	102	574
Cash at Bank	1,417,172	833,010
	<u>1,417,274</u>	<u>833,584</u>
TOTAL CASH AND CASH EQUIVALENTS	1,417,274	833,584
Represented by:		
Cash for Nursing Home Operations	1,408,579	833,584
Cash for Monies Held in Trust	8,695	-
	<u>1,417,274</u>	<u>833,584</u>
TOTAL CASH AND CASH EQUIVALENTS	1,417,274	833,584
NOTE 5: RECEIVABLES		
CURRENT		
Contractual		
Resident Fees	125,334	31,643
Expected credit loss	(3,771)	(3,771)
	<u>121,563</u>	<u>27,872</u>
Accrued Revenue - Other	44,374	85,823
Commonwealth Benefits Receivable	56,579	43,656
	<u>222,516</u>	<u>157,351</u>
TOTAL RECEIVABLES	222,516	157,351
NOTE 6: INVESTMENTS AND OTHER FINANCIAL ASSETS		
CURRENT		
Australian Dollar term Deposits	2,847,862	3,798,226
	<u>2,847,862</u>	<u>3,798,226</u>
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	2,847,862	3,798,226
Represented by:		
Nursing Home Investments	-	44,678
Monies Held in Trust	2,847,862	3,753,548
	<u>2,847,862</u>	<u>3,798,226</u>
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	2,847,862	3,798,226

NOTE 7: PROPERTY, PLANT & EQUIPMENT

	Land \$	Buildings \$	Plant & Equipment \$	Motor Vehicle \$	ROU Leased \$	Total \$
Balance at 1 July 2023	590,000	7,885,462	461,863	-	25,925	8,963,250
Additions	-	24,868	132,139	41,616	-	198,623
Transfer between classes	-	-	5,184	-	(5,184)	-
Depreciation	-	(361,969)	(68,091)	(5,017)	(20,741)	(455,818)
Revaluation	-	362,000	-	-	-	362,000
Balance at 1 July 2024	590,000	7,910,361	531,095	36,599	-	9,068,055
Gross carrying amount	590,000	8,925,978	1,228,540	41,616	-	10,786,134
Accumulated depreciation	-	(1,015,617)	(697,445)	(5,017)	-	(1,718,079)
Net carrying amount at 1 July 2024	590,000	7,910,361	531,095	36,599	-	9,068,055
Additions	-	124,718	38,441	-	-	163,159
Depreciation	-	(401,276)	(81,659)	(8,323)	-	(491,258)
Revaluation	-	438,747	-	-	-	438,747
Balance at 30 June 2025	590,000	8,072,550	487,877	28,276	-	9,178,703
Gross carrying amount	590,000	9,489,444	1,266,981	41,616	-	11,388,041
Accumulated depreciation	-	(1,416,894)	(779,104)	(13,340)	-	(2,209,338)
Net carrying amount at 30 June 2025	590,000	8,072,550	487,877	28,276	-	9,178,703

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.

A managerial assessment was performed at 30 June 2022 which indicated an overall increase in land (\$90k) and buildings (\$298k). As the cumulative movement since the last valuation was material, an adjustment to carrying value was required as at 30 June 2022. A managerial assessment was performed at 30 June 2022 which indicated an overall increase in land (\$90k) and buildings (\$299k). Further managerial assessments were performed which indicated an overall increase in buildings at 30 June 2023 (\$508k), 30 June 2024 (\$362k) and 30 June 2025 (\$439K). As the cumulative movement since the last valuation was material, an adjustment to carrying value was required as at 30 June 2022, 2024 and 2025.

Land and buildings are held at fair value. Darlingford Upper Goulburn Nursing Home Inc. classifies these assets as level 3.

NOTE 8: PAYABLES

	2025	2024
	\$	\$
CURRENT		
Contractual		
Trade Creditors	76,091	161,671
Accrued Expenses	7,000	25,821
Accrued Audit Fees	71,700	30,200
Resident fees in advance	54,898	-
Other Payables	3,385	1,404
	<u>213,074</u>	<u>219,096</u>
Statutory		
PAYG Payable	63,402	67,082
Superannuation Payable	10,778	-
GST Liability	6,009	(9,527)
	<u>80,189</u>	<u>57,555</u>
TOTAL PAYABLES	<u>293,263</u>	<u>276,651</u>

NOTE 9: PROVISIONS

Current Provisions		
Annual Leave	654,520	629,559
Accrued Salaries and Wages	77,619	76,044
Accrued Days Off / Time in Lieu	19,785	-
Long Service Leave	688,515	410,054
	<u>1,440,439</u>	<u>1,115,657</u>
Non-Current Provisions		
Long Service Leave	60,326	206,267
	<u>60,326</u>	<u>206,267</u>
Total Provisions	<u>1,500,765</u>	<u>1,321,924</u>

NOTE 10: OTHER CURRENT LIABILITIES

CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	-	1,234
- Accommodation Bonds	2,856,557	3,752,314
	<u>2,856,557</u>	<u>3,753,548</u>
TOTAL OTHER CURRENT LIABILITIES	<u>2,856,557</u>	<u>3,753,548</u>
Represented by the following assets:		
Cash Assets (refer Note 4)	8,695	-
Other Financial Assets (refer to Note 6)	2,847,862	3,753,548
	<u>2,856,557</u>	<u>3,753,548</u>

NOTE 11: RESERVES

Property, Plant & Equipment Revaluation Reserve (i)

Balance at beginning of the Reporting Period		
- Buildings	6,264,286	5,902,286
- Land	549,500	549,500
Revaluation Increment/(Decrements)		
- Buildings	438,747	362,000
Balance at the end of the reporting period	7,252,533	6,813,786
Represented by:		
- Buildings	6,703,033	6,264,286
- Land	549,500	549,500
Total Reserves	7,252,533	6,813,786

(i) The property, plant & equipment asset revaluation reserve arises on the revaluation of property, plant & equipment.

NOTE 12: FINANCIAL INSTRUMENTS

(a) Accounting classifications

The Association recognises the following assets in this category:

- Cash and cash equivalents
- Receivables (excluding statutory receivables)
- Investments and other financial assets

Financial liabilities at amortised cost

The Association recognises the following liabilities in this category:

- Payables (excluding statutory payables)
- Other current liabilities

(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.

(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.

NOTE 12: FINANCIAL INSTRUMENTS (CONTINUED)

(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.

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.

(e) Fair Value

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 2025 \$	Fair Value 2025 \$	Total Carrying Amount 2024 \$	Fair Value 2024 \$
Financial Assets at amortised cost				
Cash and Cash Equivalents	1,417,274	1,417,274	833,584	833,584
Trade Debtors	121,563	121,563	27,872	27,872
Other Receivables (i)	100,953	100,953	129,479	129,479
Term Deposits	2,847,862	2,847,862	3,798,226	3,798,226
Total Financial Assets	4,487,652	4,487,652	4,789,161	4,789,161
Financial Liabilities				
<i>At amortised cost</i>				
Payables	213,074	213,074	219,096	219,096
Other Financial Liabilities (i)				
- Accommodation Bonds	2,856,557	2,856,557	3,752,314	3,752,314
- Other	-	-	1,234	1,234
Total Financial Liabilities	3,069,631	3,069,631	3,972,644	3,972,644

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

NOTE 13: COMMITMENTS FOR EXPENDITURE

There are no commitments for expenditure for Darlingford Upper Goulburn Nursing Home as at 30 June 2025 (2024: nil).

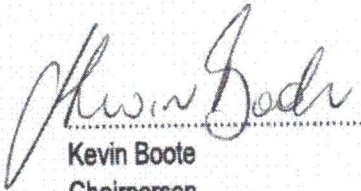
DARLINGFORD UPPER GOULBURN NURSING HOME INC

FINANCIAL DECLARATION FOR RESPONSIBLE PERSON

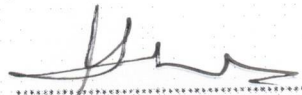
The Directors of Darlingford Upper Goulburn Nursing Home Inc (as Responsible Persons) declare that in the Responsible Persons' opinion:

- (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;
- (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 - Simplified Disclosure Requirements; and
- (c) the financial reports give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022.



Kevin Boote
Chairperson
Eildon



Tony Jacobs
Committee Member
Eildon

Dated this 30th day of October 2025.