



**John Curtin**  
Aged Care

## **Financial Statements**

**For the Year Ended 30 June 2021**

# **John Curtin Aged Care Inc.**

ABN 20 681 711 683

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**For the Year Ended 30 June 2021**

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## John Curtin Aged Care Inc.

ABN 20 681 711 683

### Board of Management Report For the Year Ended 30 June 2021

The Board Members present their report on John Curtin Aged Care Inc. for the financial year ended 30 June 2021.

#### Board members

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

Alison Trevenen	(President)
Steve Bruechert	(Vice President)
Richard Ainio	(Treasurer)
Sandra Campbell	
Neville Cartledge OAM	
Nicholas Cartledge	
Malcolm Hull	
Mervyn McKay	
Robert Orr OAM	
Joyce Ryall	

#### Principal activities

The principal activity of John Curtin Aged Care Inc. during the financial year was to provide a residential aged care facility for the people of Creswick and surrounding districts.

No significant changes in the nature of the Association's activity occurred during the financial year.

#### Review of operations

The loss of the Association amounted to \$ 913,889 (2020: \$ 453,843).

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

Alison Trevenen



Richard Ainio



Dated 30 November 2021

## John Curtin Aged Care Inc.

ABN 20 681 711 683

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	3	7,127,951	6,718,365
Employee benefits expense		(5,894,326)	(5,343,814)
Depreciation and amortisation expense		(422,182)	(453,971)
Administration expenses	4	(291,915)	(252,086)
Allied health expenses		(166,601)	(168,294)
Food expenses		(222,928)	(211,949)
BIF funded expenditure		(343,588)	-
Other expenses		(700,300)	(742,094)
<b>Loss from ordinary activities</b>		<b>(913,889)</b>	<b>(453,843)</b>
Income tax expense		-	-
<b>Loss for the year</b>		<b>(913,889)</b>	<b>(453,843)</b>
<b>Other comprehensive income, net of income tax</b>			
Revaluation increment for property		-	1,379,496
<b>Total comprehensive income for the year</b>		<b>(913,889)</b>	<b>925,653</b>

The accompanying notes form part of these financial statements.

**John Curtin Aged Care Inc.**

ABN 20 681 711 683

**Statement of Financial Position****As At 30 June 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	2,192,443	1,380,131
Trade and other receivables	6	278,975	218,261
Other financial assets	7	4,151,348	6,150,000
Other assets	8	72,660	83,086
TOTAL CURRENT ASSETS		<u>6,695,426</u>	<u>7,831,478</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	12,886,065	13,248,795
TOTAL NON-CURRENT ASSETS		<u>12,886,065</u>	<u>13,248,795</u>
TOTAL ASSETS		<u>19,581,491</u>	<u>21,080,273</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	658,637	338,651
Short-term provisions	11	175,262	132,286
Other liabilities	12	12,724,712	13,538,369
Employee benefits	13	454,732	612,316
TOTAL CURRENT LIABILITIES		<u>14,013,343</u>	<u>14,621,622</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	148,251	124,865
TOTAL NON-CURRENT LIABILITIES		<u>148,251</u>	<u>124,865</u>
TOTAL LIABILITIES		<u>14,161,594</u>	<u>14,746,487</u>
NET ASSETS		<u>5,419,897</u>	<u>6,333,786</u>
<b>EQUITY</b>			
Reserves	14	6,341,880	6,341,880
Retained earnings		(921,983)	(8,094)
TOTAL EQUITY		<u>5,419,897</u>	<u>6,333,786</u>

The accompanying notes form part of these financial statements.

## John Curtin Aged Care Inc.

ABN 20 681 711 683

### Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2020	(8,094)	5,790,750	551,130	6,333,786
Loss attributable to members	(913,889)	-	-	(913,889)
Balance at 30 June 2021	(921,983)	5,790,750	551,130	5,419,897

2020

	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2019	445,749	4,411,254	551,130	5,408,133
Loss attributable to members	(453,843)	-	-	(453,843)
Revaluation increment	-	1,379,496	-	1,379,496
Balance at 30 June 2020	(8,094)	5,790,750	551,130	6,333,786

The accompanying notes form part of these financial statements.

**John Curtin Aged Care Inc.**

ABN 20 681 711 683

**Statement of Cash Flows**  
**For the Year Ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>6,969,704</b>	6,532,809
Payments to suppliers and employees	<b>(7,402,012)</b>	(6,814,608)
Interest received	<b>67,485</b>	187,684
Interest paid	<b>(21,262)</b>	(46,171)
Net cash used in operating activities	<b>21 (386,085)</b>	(140,286)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	7,050
Purchase of property, plant and equipment	<b>(64,049)</b>	(253,142)
(Purchase)/redemption of investments (net)	<b>1,998,652</b>	100,000
Net cash provided by/(used in) investing activities	<b>1,934,603</b>	(146,092)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from residents' refundable deposits	<b>3,090,074</b>	4,978,000
Refunds of residents' refundable deposits	<b>(3,826,280)</b>	(4,333,917)
Net cash (used in)/provided by financing activities	<b>(736,206)</b>	644,083
Net increase in cash and cash equivalents held	<b>812,312</b>	357,705
Cash and cash equivalents at beginning of year	<b>1,380,131</b>	1,022,426
Cash and cash equivalents at end of financial year	<b>5(a) 2,192,443</b>	1,380,131

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

The financial statements cover John Curtin Aged Care Inc. as an individual entity. John Curtin Aged Care Inc. is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012 (Vic)*.

The principal activity of the Association for the year ended 30 June 2021 was to provide a residential aged care facility for the people of Creswick and surrounding districts.

The functional and presentation currency of John Curtin Aged Care Inc. is Australian dollars.

The financial report was authorised for issue by the Members of the Board on 30 November 2021.

#### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* ('the Act').

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **1 Summary of Significant Accounting Policies**

##### **(a) Income Tax**

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### **(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if applicable, bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position).

##### **(c) Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(c) Financial instruments (continued)**

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 1 Summary of Significant Accounting Policies (continued)

##### (c) Financial instruments (continued)

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### (d) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

##### Land and buildings

Land and buildings are measured using the revaluation model. Fair value assessments of land and buildings are conducted at least every five years by an independent valuer.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	20%
Furniture, Fixtures and Fittings	10-20%
Computer Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (e) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is any evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless of indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(e) Impairment of non-financial assets (continued)**

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

##### **(f) Borrowings and other liabilities**

Borrowings and other liabilities are classified as current liabilities unless the association has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

A liability is recorded in respect of resident accommodation bonds and deposits received from residents on their admission to the facility. The recorded amount represents the bonds and deposits received less any retention and interest amounts in accordance with the term of the related agreement, in compliance with the Aged Care Act 1997. The retention amount is calculated based on the entry anniversary date each month. Resident accommodation bond and deposit liabilities are classified as current liabilities as the association does not have an unconditional right to defer settlement for at least 12 months after reporting date. The obligation to settle could occur at any time.

##### **(g) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

##### **(h) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### **Grant revenue - Aged Care Funding Instrument (ACFI) subsidies**

The Association receives subsidies for extra assistance to care for residents. The subsidies are calculated on a daily rate which varies between residents according to the level of care required and are recognised as income on an accruals basis.

##### **Donations**

Donations and bequests are recognised as revenue when received.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(h) Revenue and other income (continued)**

###### **Interest revenue**

Interest is recognised using the effective interest method.

###### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

###### **Independent Living Unit resident fees**

Independent Living Unit (ILU) resident fees are recognised on a straight-line basis over a period of the respective resident agreement/licence agreement term so as to reflect a constant periodic rate of return.

###### **Other income**

Other income is recognised on an accruals basis when the Association is entitled to it.

##### **(i) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

##### **(j) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### **(k) Leases**

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(k) Leases (continued)**

###### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however, where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### **Exceptions to lease accounting**

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

The Association has also elected to apply the temporary option available to not-for-profit entities (*AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*) and not measure a class of right-of-use assets that have significantly below-market terms and conditions in respect of the 99 year "peppercorn" lease referred to in Note 9.

##### **(l) Economic dependence**

John Curtin Aged Care Inc. is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report the Board Members have no reason to believe the Department of Health will not continue to support John Curtin Aged Care Inc.

##### **(m) Comparative amounts**

Comparatives are consistent with prior years, unless otherwise stated.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(n) Going concern**

Notwithstanding the Association's operating losses recognised in eight of the the past nine years, the financial report has been prepared on the going concern basis. This basis has been adopted as the Board believes that it is reasonably foreseeable that John Curtin Aged Care Inc. will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The reported loss of \$913,889 includes a non-cash depreciation allowance of \$422,182. The Association achieved a reduced cash deficit of \$491,707 after adding-back depreciation.
- The loss in the current year has been contributed to by material unexpected and non-recurring expenses arising from the impact of COVID-19 mainly in the form of additional salaries and wages, cleaning and personal protective equipment. In addition to this, John Curtin Aged Care Inc. has incurred indirect opportunity costs and inefficiencies arising from the need to reassign and/or defer processes and activities that would have otherwise occurred. The Association's response to COVID-19 has been thorough and so far successful in preventing any positive cases within the residents and staff of the facility. Whilst the Association will continue to incur some additional expenditure in respect of COVID-19 in the future, it is expected that this will continue to reduce over time.
- Because of the age of the facility, significant improvements have historically been required to ensure appropriate standards and amenity were maintained. This has caused rooms to be unavailable for occupancy for longer periods as they are completely refurbished, and has incurred expenses in refurbishing to a higher standard. This work is substantially completed which will allow for higher occupancy rates and lower costs in repairs and maintenance/room refurbishment in future years.
- Strategic review of assets: a strategic review of surplus real estate assets held by John Curtin Aged Care Inc. is being performed with a view to development as Independent Living Units if supported by demand or potential sale if warranted.
- Organisational review: during the year, the Association participated in an industry wide benchmarking review conducted by PriceWaterhouseCoopers and Stewart Brown. This review has identified a number of areas where the Association has historically incurred expenditure above that expected for similar sized entities. As part of this process, the Association engaged consultants to assist in reviewing specific areas including increasing ACFI revenues, optimising expenditure in line with industry benchmarks and seeking funding to assist with capital improvements and restructuring from the Business Improvement Fund (BIF) for aged care provided by the Australian Government. During the current year, the Association's application for funding and assistance under the BIF was successful and management and the Board have now completed a lengthy and challenging restructuring process which has included changes to a number of key roles within the Association. Following this process, John Curtin Aged Care Inc. has significantly reduced recurring operating expenditure and expects to be able to return to a sustainable result from operations from middle of the year ending 30 June 2022.

Accordingly, the Board Members believe that the Association will be able to pay its debts as and when due and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Association does not continue as a going concern.

##### **(o) New accounting standards for application in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Board Members have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Association.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Critical Accounting Estimates and Judgments**

The Board Members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key judgments - Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on prevailing government health restrictions and other known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions with which the Association interacts. Other than as addressed in the reported results and specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the ongoing Coronavirus (COVID-19) pandemic although developments continue to be closely monitored.

##### **Key estimates - fair value of property**

An independent valuation of property (land and buildings) was carried out in the 2020 financial year. The Board of Management has reviewed this valuation based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold. Note 18 provides information on inputs and techniques to determine the valuation.

##### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

##### **Key estimates - useful lives of assets**

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 3 Revenue

	2021	2020
	\$	\$
<i>Revenue from operations</i>		
- BIF Grant funding	464,469	-
- Commonwealth subsidies	4,067,322	4,042,263
- COVID-19 Commonwealth supplement	90,887	86,049
- COVID-19 Commonwealth cash flow boost	50,000	50,000
- TAC funding	153,528	-
- Resident's fees	1,585,603	1,497,587
- Daily accommodation payment/contribution	253,209	265,898
- Ingoing fees (retentions)	64,294	65,043
- NDIS Income	215,822	102,000
- Cafe sales	13,342	51,015
- Laundry income	56,906	53,723
- Other income	20,119	22,350
	<b>7,035,501</b>	<b>6,235,928</b>
<i>Other revenue</i>		
- Interest received	47,373	122,747
- Rental revenue from property investments	35,106	40,448
- Donations	9,971	312,192
- Gain on disposal of plant and equipment	-	7,050
	<b>92,450</b>	<b>482,437</b>
<b>Total Revenue</b>	<b>7,127,951</b>	<b>6,718,365</b>

#### 4 Expenditure

##### Administration expenses

Accreditation expense	3,964	3,964
Administration expenses	43,207	58,391
COVID-19	68,854	24,155
Compliance package	20,747	4,500
Computer charges	119,807	90,412
Interest - bank and bonds/RADs	21,262	46,171
Telephone	14,074	24,495
	<b>291,915</b>	<b>252,088</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	195	620
Cash at bank	108,194	77,599
Resident's trust accounts	2,084,054	1,301,912
	<u>2,192,443</u>	<u>1,380,131</u>

#### (a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	<u>2,192,443</u>	<u>1,380,131</u>
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#### 6 Trade and Other Receivables

##### CURRENT

Trade receivables	267,716	204,077
Provision for impairment	(21,418)	(21,418)
	<u>246,298</u>	<u>182,659</u>
GST receivable	32,677	35,602
	<u>278,975</u>	<u>218,261</u>

#### 7 Other Financial Assets

##### Held-to-maturity investments comprise:

Fixed interest investments	<u>4,151,348</u>	<u>6,150,000</u>
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#### 8 Other Assets

##### CURRENT

Prepayments	49,482	56,123
Accrued income	16,327	-
Investment income receivable	6,851	26,963
	<u>72,660</u>	<u>83,086</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 9 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
<i>Freehold land</i>		
Independent Living Units at fair value	1,780,000	1,780,000
Residential property at fair value	590,000	590,000
<i>Leasehold land</i>		
Facility at fair value	800,000	800,000
<b>Total Land</b>	<b>3,170,000</b>	<b>3,170,000</b>
<i>Buildings</i>		
Independent Living Units at fair value	3,601,940	3,601,940
Facility at fair value	5,924,000	5,924,000
Residential property at fair value	118,060	118,060
Accumulated depreciation	(241,100)	-
<b>Total buildings</b>	<b>9,402,900</b>	<b>9,644,000</b>
<b>Total land and buildings</b>	<b>12,572,900</b>	<b>12,814,000</b>
PLANT AND EQUIPMENT		
<i>Plant and equipment</i>		
At cost	641,176	887,399
Accumulated depreciation	(505,252)	(687,648)
<b>Total plant and equipment</b>	<b>135,924</b>	<b>199,751</b>
<i>Furniture, fixtures and fittings</i>		
At cost	409,579	440,186
Accumulated depreciation	(261,259)	(261,463)
<b>Total furniture, fixtures and fittings</b>	<b>148,320</b>	<b>178,723</b>
<i>Motor vehicles</i>		
At cost	50,951	50,951
Accumulated depreciation	(50,951)	(50,951)
<b>Total motor vehicles</b>	<b>-</b>	<b>-</b>
<i>Computer equipment</i>		
At cost	111,234	188,143
Accumulated depreciation	(82,313)	(131,822)
<b>Total computer equipment</b>	<b>28,921</b>	<b>56,321</b>
<b>Total plant and equipment</b>	<b>313,165</b>	<b>434,795</b>
<b>Total property, plant and equipment</b>	<b>12,886,065</b>	<b>13,248,795</b>

The Association's land and buildings were revalued as at 30 June 2020 by an independent valuer, Adrian K Doyle, Certified Practising Valuer of the Australian Property Institute. Valuations were made using the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date with a related adjustment applied to leasehold land. The revaluation surplus net of applicable deferred income taxes was credited to

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 9 Property, plant and equipment (continued)

an asset revaluation reserve in equity. The directors do not believe that there has been a material movement in fair value since the revaluation date.

Facility leasehold land is subject to a 99 year "peppercorn" lease (inclusive of an option to extend for a further period of 99 years) dated 6 March 1985 between the Association and the Creswick District Hospital.

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>						
Balance at the beginning of year	3,170,000	9,644,000	199,751	178,723	56,321	13,248,795
Additions	-	-	27,257	32,254	4,538	64,049
Disposals - written down value	-	-	(4,597)	-	-	(4,597)
Depreciation expense	-	(241,100)	(86,487)	(62,657)	(31,938)	(422,182)
<b>Balance at the end of the year</b>	<b>3,170,000</b>	<b>9,402,900</b>	<b>135,924</b>	<b>148,320</b>	<b>28,921</b>	<b>12,886,065</b>

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>						
Balance at the beginning of year	2,275,306	9,386,913	170,584	168,120	69,205	12,070,128
Additions	-	44,093	112,086	67,688	29,275	253,142
Depreciation expense	-	(271,808)	(82,919)	(57,085)	(42,159)	(453,971)
Revaluation increase recognised in equity	894,694	484,802	-	-	-	1,379,496
<b>Balance at the end of the year</b>	<b>3,170,000</b>	<b>9,644,000</b>	<b>199,751</b>	<b>178,723</b>	<b>56,321</b>	<b>13,248,795</b>

#### 10 Trade and other payables

	2021	2020
	\$	\$
<b>CURRENT</b>		
Trade payables	523,599	189,086
Sundry payables and accrued expenses	135,038	149,565
	<b>658,637</b>	<b>338,651</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 11 Provisions

		2021	2020
	Note	\$	\$
<i>CURRENT</i>			
Provision for contingent expenditure	19	<b>175,262</b>	132,286

#### 12 Other Liabilities

<i>CURRENT</i>			
Refundable ingoing fees		<b>12,656,712</b>	13,470,369
Payable to vacating ILU residents		<b>68,000</b>	68,000
		<b>12,724,712</b>	13,538,369

Residents' accommodation bonds and deposits are considered current liabilities as they are required to be repaid to residents within 14 days of leaving the facility. However, there is minimal likelihood that all residents will exit the facility at once. Notwithstanding, sufficient liquidity is maintained to cover these liabilities.

Certain of the residents who occupy the Independent Living Units (ILUs) have a condition in their agreement where, upon vacating the unit, they are entitled to receive a 50% share, less capital improvements made by the Association, of the appreciation of the licence fee (i.e. where the incoming resident pays a licence fee and that amount is higher than the original licence fee paid by the incumbent resident). The amount recognised as 'Payable to vacating ILU residents' is the estimated amount payable to the residents were they to vacate at balance date.

#### 13 Employee Benefits

<i>CURRENT</i>			
Provision for long service leave		<b>131,014</b>	207,420
Provision for annual leave		<b>323,718</b>	404,896
		<b>454,732</b>	612,316
<i>NON-CURRENT</i>			
Provision for long service leave		<b>148,251</b>	124,865
		<b>602,983</b>	737,181

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **14 Reserves**

#### **(a) Asset revaluation reserve**

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

#### **(b) General reserve**

The general reserve is comprised of the Sinking Fund and the Future Maintenance Reserve and records funds set aside for the future expansion of John Curtin Aged Care Inc.

### **15 Operating Segments**

#### **Identification of reportable segments**

The Association has two separate business segments:

- (i) The Facility RACS 3310 – in which residents are cared for daily by nurses. The Association also receives Government funding to help cover the expenses of running the Facility; and
- (ii) The Independent Living Units – in which residents live independently, with only limited assistance from the Association if required. No Government funding is received in respect of the Independent Living Units.

#### **Accounting policies adopted**

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

#### **Inter-segment transactions**

There are no transactions or transfers between segments of the Association.

#### **Geographical information**

All segments of the Association operate within the community of Creswick and surrounding areas.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 15 Operating Segments (continued)

##### Statement of Profit or Loss

	Facility RACS 3310		Independent Living Units		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Retentions	-	-	64,294	65,043	64,294	65,043
Fees	1,745,783	1,671,606	105,570	115,479	1,851,353	1,787,085
Commonwealth grants	4,672,678	4,128,312	-	-	4,672,678	4,128,312
Other	532,188	718,654	7,438	19,271	539,626	737,925
	<b>6,950,649</b>	<b>6,518,572</b>	<b>177,302</b>	<b>199,793</b>	<b>7,127,951</b>	<b>6,718,365</b>
<b>EXPENDITURE</b>						
Depreciation	332,134	359,221	90,048	94,750	422,182	453,971
Wages	5,842,228	5,009,093	52,098	79,190	5,894,326	5,088,283
Other	1,662,300	1,566,196	63,032	63,758	1,725,332	1,629,954
	<b>7,836,662</b>	<b>6,934,510</b>	<b>205,178</b>	<b>237,698</b>	<b>8,041,840</b>	<b>7,172,208</b>
<b>Operating loss</b>	<b>(886,013)</b>	<b>(415,938)</b>	<b>(27,876)</b>	<b>(37,905)</b>	<b>(913,889)</b>	<b>(453,843)</b>

##### Statement of Financial Position

##### Current assets

Cash	1,234,971	1,152,297	957,472	227,834	2,192,443	1,380,131
Investments	3,651,348	4,773,315	500,000	1,376,685	4,151,348	6,150,000
Other	351,635	301,347	-	-	351,635	301,347
	<b>5,237,954</b>	<b>6,226,959</b>	<b>1,457,472</b>	<b>1,604,519</b>	<b>6,695,426</b>	<b>7,831,478</b>

##### Non-current assets

Property, plant & equipment	7,594,173	7,866,855	5,291,892	5,381,940	12,886,065	13,248,795
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##### Total Assets

	<b>12,832,127</b>	<b>14,093,814</b>	<b>6,749,364</b>	<b>6,986,459</b>	<b>19,581,491</b>	<b>21,080,273</b>
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##### Current liabilities

Refundable fees	10,559,139	11,166,583	2,097,573	2,306,792	12,656,712	13,473,375
Other	1,288,631	1,080,247	68,000	68,000	1,356,631	1,148,247
	<b>11,847,770</b>	<b>12,246,830</b>	<b>2,165,573</b>	<b>2,374,792</b>	<b>14,013,343</b>	<b>14,621,622</b>

##### Non-current liabilities

Other	148,251	124,865	-	-	148,251	124,865
	<b>11,996,021</b>	<b>12,371,695</b>	<b>2,165,573</b>	<b>2,374,792</b>	<b>14,161,594</b>	<b>14,746,487</b>

##### Net assets

	<b>836,106</b>	<b>1,722,119</b>	<b>4,583,791</b>	<b>4,611,667</b>	<b>5,419,897</b>	<b>6,333,786</b>
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##### Equity

Reserves	3,374,707	3,374,707	2,967,173	2,967,173	6,341,880	6,341,880
Accumulated surplus	(2,538,601)	(1,652,588)	1,616,618	1,644,494	(921,983)	(8,094)
<b>Total equity</b>	<b>836,106</b>	<b>1,722,119</b>	<b>4,583,791</b>	<b>4,611,667</b>	<b>5,419,897</b>	<b>6,333,786</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 16 Financial Risk Management

The main risks John Curtin Aged Care Inc. is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases, preference shares, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2021	2020
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	5	2,192,443	1,380,131
Trade and other receivables	6	278,975	218,261
Held-to-maturity investments	7	4,151,348	6,150,000
<b>Total financial assets</b>		<b>6,622,766</b>	<b>7,748,392</b>
<b>Financial Liabilities</b>			
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	10	658,637	338,651
Provisions	11	175,262	132,286
Financial liabilities	12	12,656,712	13,470,369
<b>Total financial liabilities</b>		<b>13,490,611</b>	<b>13,941,306</b>

#### 17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association is \$ 148,468 (2020: \$ 149,485).

#### 18 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment

##### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 18 Fair Value Measurement (continued)

##### *Valuation techniques*

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the assets or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach*: used prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risk. When selecting a valuation technique, the association gives priority to these techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The table below shows the assigned level for each asset and liability held at fair value by the association:

		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
<b>30 June 2021</b>					
<b>Recurring fair value measurements</b>					
Land and buildings	9	-	12,814,000	-	12,814,000
		-	12,814,000	-	12,814,000
<b>30 June 2020</b>					
<b>Recurring fair value measurements</b>					
Land and buildings	9	-	12,814,000	-	12,814,000
		-	12,814,000	-	12,814,000

##### **Highest and best use**

The current use of each asset measured at fair value is considered to be its highest and best use.

##### **Net Fair Values**

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amount of trade and other receivables, trade and other payables and financial liabilities are assumed to approximate their fair values due to their short-term nature.



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 19 Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2021 (30 June 2020:Nil).

#### 20 Related Parties

There were no transactions between related parties during the financial year.

#### 21 Cash Flow Information

##### Reconciliation of result for the year to cashflows from operating activities

	2021	2020
	\$	\$
Loss for the year	(913,889)	(453,843)
<i>Non-cash flows in result:</i>		
- resident fees drawn from refundable bonds	(77,451)	(87,405)
- depreciation	422,182	453,971
- net loss (gain) on disposal of property, plant and equipment	4,597	(7,050)
<i>Changes in assets and liabilities:</i>		
- (increase) in trade and other receivables	(63,639)	(32,181)
- increase in provision for doubtful debts	-	20,188
- (increase)/decrease in prepayments	6,641	(18,815)
- decrease in GST receivable	2,925	10
- (increase)/decrease in accrued income	(10,705)	89,579
- increase/(decrease) in trade and other payables	334,476	(21,680)
- increase/(decrease) in other provisions	42,976	(242,714)
- increase/(decrease) in employee benefits	(134,198)	159,654
Cashflow from operations	<u>(386,085)</u>	<u>(140,286)</u>

#### 22 Events after the end of the Reporting Period

The financial report was authorised for issue on 30 November 2021 by the Board of Management.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially positive for the Association up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

## **John Curtin Aged Care Inc.**

ABN 20 681 711 683

# **Notes to the Financial Statements**

## **For the Year Ended 30 June 2021**

### **23 Company Details**

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

John Curtin Aged Care Inc.  
5 Cushing Avenue  
Creswick Vic 3363

## **Statement by Members of the Board**

The Board Members of the Association declare that:

1. The financial statements and notes, as set out on pages 2 to 24, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Accounting Standards - *Reduced Disclosure Requirements* ; and
  - b. 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 Association.
2. In the Board Members' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Members of the Board.

Alison Trevenen



Richard Ainio



Dated 30 November 2021

## John Curtin Aged Care Inc.

ABN 20 681 711 683



## Independent Auditor's Report to the members of John Curtin Aged Care Inc.

### Opinion

We have audited the financial report of John Curtin Aged Care Inc. (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report of the Association is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Material Uncertainty Regarding Going Concern

Without modifying our opinion, attention is drawn to the following matter. As mentioned in Note 1(n) 'Going Concern', the Association has incurred a loss from ordinary activities of \$913,889 for the year ended 30 June 2021. This financial result indicates the existence of a material uncertainty in relation to the Association's ability to continue as a going concern. The Board of Management has implemented a number of strategies as detailed in Note 1(n) 'Going Concern' and an improved operating position is forecast in the projected results for future financial years. After considering the content of Note 1(n) 'Going Concern', the Board of Management has deemed it appropriate to prepare the financial report on a going concern basis. If, however, the improved trading results forecast by the Board of Management do not materialise, the Association may not be able to continue as a going concern which may force it to realise its assets and liabilities other than in the normal course of business, and at amounts different to those stated in the financial report.

### Responsibilities of Board Members for the Financial Report

The Board Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

## John Curtin Aged Care Inc.

ABN 20 681 711 683



### Independent Auditor's Report to the members of John Curtin Aged Care Inc.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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.

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

#### COOPER AUDIT AND ACCOUNTING PTY LTD

**GRANT COOPER**

**Director**

**ASIC Registered Company Auditor Number 421726**

**Ballarat Victoria**

**Dated 30 November 2021**

## **John Curtin Aged Care Inc.**

ABN 20 681 711 683

**For the Year Ended 30 June 2021**

## **Disclaimer**

The additional financial data presented on page 29 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 30 June 2021. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than John Curtin Aged Care Inc.) in respect of such data, including any errors or omissions therein however caused.

**COOPER AUDIT AND ACCOUNTING PTY LTD**

A handwritten signature in blue ink, appearing to read 'Grant Cooper', is positioned above the printed name and title.

**GRANT COOPER**  
Director

**Ballarat Victoria**  
**Dated 30 November 2021**

## John Curtin Aged Care Inc.

ABN 20 681 711 683

For the Year Ended 30 June 2021

### Detailed Profit or Loss Statement

	2021 \$	2020 \$
<b>Income</b>		
BIF Grant funding	464,469	-
Cafe sales	13,342	51,015
Commonwealth subsidies	4,067,322	4,042,263
COVID-19 Commonwealth cash flow boost	50,000	50,000
COVID-19 Commonwealth supplement	90,887	86,049
Daily accomodation payment/contribution	253,209	265,898
Donations	9,971	312,192
Gain on disposal of plant and equipment	-	7,050
ILU - Maintenance fees	93,029	91,879
Interest income	47,373	122,747
Laundry income	56,906	53,723
Licence Fee Retention	64,294	65,043
NDIS Income	215,822	102,000
Other income	20,119	22,350
Rental income	35,106	40,448
Resident's fees	1,492,574	1,405,708
TAC funding	153,528	-
<b>Total Income</b>	<b>7,127,951</b>	<b>6,718,365</b>
<b>Less: Expenses</b>		
Accreditation expense	3,964	3,964
Administration expenses	43,207	58,391
Allied health expenses	166,601	168,294
BIF funded expenditure	343,588	-
Cafe expenses	2,424	20,077
Cleaning	68,335	78,918
Compliance package	20,747	4,500
Computer charges	119,807	90,412
Consulting and professional fees	98,736	45,617
COVID-19	68,854	24,155
Depreciation	422,182	453,971
Donations	200	-
Dosette administration	26,889	23,879
Electricity	66,114	67,279
Food expenses	222,928	211,949
Garden and grounds	4,195	3,505
Gas	41,357	55,571
Insurance	44,423	41,026
Interest - bank and bonds/RADs	21,262	46,171
Medical supplies	112,938	87,377
Motor vehicle/bus expenses	4,726	5,842
Operational expenses	32,174	66,509
Other employee costs	63,880	19,125
Rates and taxes	30,629	41,852
Repairs and maintenance/room refurbishment	128,922	170,309

## John Curtin Aged Care Inc.

ABN 20 681 711 683

For the Year Ended 30 June 2021

### Detailed Profit or Loss Statement

	2021	2020
	\$	\$
Resident's activities	3,270	7,287
Salaries	5,129,030	4,647,276
Security costs	4,062	4,055
Staff training	8,931	43,702
Superannuation contributions	465,887	441,007
Telephone	14,074	24,495
Waste disposal	30,906	22,988
Workers compensation insurance	226,598	192,705
<b>Total Expenses</b>	<b>8,041,840</b>	<b>7,172,208</b>
<b>Net Operating Loss</b>	<b>(913,889)</b>	<b>(453,843)</b>