

The Sisters of Our Lady of China (Peakhurst Nursing Home)

ABN 70 084 133 667

Annual Report - 30 June 2022

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Directors' report
30 June 2022

The Trustees present their report, together with the financial statements, on the charity for the year ended 30 June 2022.

Trustees

The following persons were the Sole Trustees of the Charity during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Sister Helen Shih Chang
- Sister Shu - Hui Wang
- Sister Tasi - San Chang

Philosophy

The overriding philosophy of The Sisters of Our Lady of China reflects Christian principles.

These are to:

- 1: Promote the dignity of and respect for human life, at all stages;
- 2: Extend the hand of a Samaritan; and
- 3: Care with love, hope and faith.

These principles are integral elements of our work.

Principal activities

During the financial year, the principal continuing activities of the charity consisted of:

- providing individualised quality care we provide to residents by highly qualified and professional staff;
- promoting dignity and respect for human life at all stages, extending the hand of a Samaritan and caring with love, hope and faith, are all integral elements of our work;
- providing accommodation to aged persons in a friendly, caring community atmosphere that is fostered by the caring philosophy of the management and staff, and enhanced by the modern design and amenities of the facilities; and
- providing pastoral care to meet the spiritual needs of people of a variety of faiths, and providing individual emotional support as well as ceremonies to mark spiritual occasions.

Values

- People
- Professionalism
- Passion

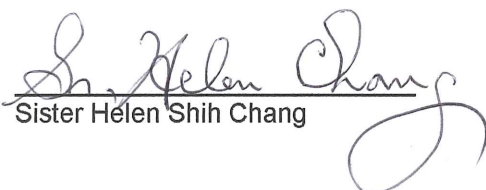
Purpose

To provide high quality care and services that are flexible and responsive to our residents' needs and expectations.

Meetings of Trustees

Trustees held monthly meetings during the year ended 30 June 2022.

Signed on behalf of the Trustees


Sister Helen Shih Chang

4 October 2022

The Sisters of Our Lady of China (Peakhurst Nursing Home)

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General information

The Sisters of Our Lady of China (Peakhurst Nursing Home) is registered under the provisions of the Australian Charities and Not-for-profits Commission Act 2012 and is domiciled in Australia. Its registered office and principal place of business is 16-18 Henry Lawson Dr, Peakhurst, NSW 2210.

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue on October 4 2022.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue and other income	3	8,148,795	8,638,180
Interest received		622,380	1,064,139
Total income		<u>8,771,175</u>	<u>9,702,319</u>
Expenses			
Administration expenses		(492,437)	(477,545)
Catering and food expense		(354,305)	(409,210)
Cleaning & laundry		(67,766)	(81,997)
Depreciation	4	(419,865)	(407,474)
Residential accommodation expenses		(200,794)	(210,197)
Resident care expenses		(664,295)	(760,356)
Salaries and employee benefits		(6,417,218)	(6,315,142)
Utilities		(203,519)	(199,196)
Expenses - other costs		(33,094)	(91,937)
Staff training		(11,622)	(15,963)
Finance costs		(49,121)	(32,153)
Total expenses		<u>(8,914,036)</u>	<u>(9,001,170)</u>
Surplus/(deficit) before income tax expense		(142,861)	701,149
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of The Sisters of Our Lady of China (Peakhurst Nursing Home)	15	(142,861)	701,149
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of The Sisters of Our Lady of China (Peakhurst Nursing Home)		<u><u>(142,861)</u></u>	<u><u>701,149</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	36,808,310	33,285,463
Trade and other receivables	6	171,838	160,393
Total current assets		<u>36,980,148</u>	<u>33,445,856</u>
Non-current assets			
Receivables	7	8,088,607	14,088,607
Property, plant and equipment	8	11,709,297	11,687,840
Total non-current assets		<u>19,797,904</u>	<u>25,776,447</u>
Total assets		<u>56,778,052</u>	<u>59,222,303</u>
Liabilities			
Current liabilities			
Trade and other payables	9	457,185	434,627
Provisions	10	656,042	667,297
Refundable resident bonds expected to be paid within 12 months	11	2,057,342	2,584,431
Total current liabilities		<u>3,170,569</u>	<u>3,686,355</u>
Non-current liabilities			
Loans from related parties	12	18,281,581	18,281,581
Provisions	13	50,511	110,055
Refundable resident bonds expected to be paid after 12 months	14	8,772,540	10,498,600
Total non-current liabilities		<u>27,104,632</u>	<u>28,890,236</u>
Total liabilities		<u>30,275,201</u>	<u>32,576,591</u>
Net assets		<u>26,502,851</u>	<u>26,645,712</u>
Equity			
Issued capital		1,732,863	1,732,863
Retained surpluses	15	24,769,988	24,912,849
Total equity		<u>26,502,851</u>	<u>26,645,712</u>

The above statement of financial position should be read in conjunction with the accompanying notes

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of changes in equity
For the year ended 30 June 2022

	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	1,732,863	-	24,211,700	25,944,563
Surplus after income tax expense for the year	-	-	701,149	701,149
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	701,149	701,149
Balance at 30 June 2021	<u>1,732,863</u>	<u>-</u>	<u>24,912,849</u>	<u>26,645,712</u>
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	1,732,863	-	24,912,849	26,645,712
Deficit after income tax expense for the year	-	-	(142,861)	(142,861)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(142,861)	(142,861)
Balance at 30 June 2022	<u>1,732,863</u>	<u>-</u>	<u>24,769,988</u>	<u>26,502,851</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from fees, etc.		7,963,088	8,419,067
Payments to suppliers and employees		<u>(8,540,900)</u>	<u>(8,529,275)</u>
		(577,812)	(110,208)
Interest received		658,544	1,083,865
Other revenue		185,707	219,113
Interest and other finance costs paid		<u>(49,121)</u>	<u>(32,153)</u>
Net cash from operating activities		<u>217,318</u>	<u>1,160,617</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	<u>(441,322)</u>	<u>(192,028)</u>
Net cash used in investing activities		<u>(441,322)</u>	<u>(192,028)</u>
Cash flows from financing activities			
Repayment of loans from related parties		6,000,000	4,000,000
Proceeds from bonds		2,346,500	2,939,377
Repayment of bonds		<u>(4,599,649)</u>	<u>(3,391,419)</u>
Net cash from financing activities		<u>3,746,851</u>	<u>3,547,958</u>
Net increase in cash and cash equivalents		3,522,847	4,516,547
Cash and cash equivalents at the beginning of the financial year		<u>33,285,463</u>	<u>28,768,916</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>36,808,310</u></u>	<u><u>33,285,463</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The charity 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Basis of measurement

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Revenue recognition

The company recognises revenue as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

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

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Investments and other financial assets

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

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 are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5 %
Plant and equipment	10 %

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Resident bonds

Resident bonds are non-interest bearing deposits made by aged care facility residents to the company upon their admission. Resident bonds are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

The company 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.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 3. Revenue and other income

	2022	2021
	\$	\$
Commonwealth subsidies	6,031,334	6,267,981
Resident fees	1,931,754	2,151,086
Rental income	29,300	29,900
Other income	156,407	189,213
	<u>8,148,795</u>	<u>8,638,180</u>
Revenue and other income	<u>8,148,795</u>	<u>8,638,180</u>

Note 4. Expenses

	2022	2021
	\$	\$
Surplus/(deficit) before income tax includes the following specific expenses:		
Depreciation - Land and buildings	278,590	273,661
Depreciation - Plant and equipment	141,275	133,813
	<u>419,865</u>	<u>407,474</u>

Note 5. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	7,532,264	12,098,909
Cash on deposit	29,276,046	21,186,554
	<u>36,808,310</u>	<u>33,285,463</u>

Note 6. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade receivables	94,388	111,288
GST receivable	77,450	49,105
	<u>171,838</u>	<u>160,393</u>

Note 7. Non-current assets - receivables

	2022	2021
	\$	\$
Receivable from The Sisters of Our Lady of China Health Care Pty Ltd (Investment 1)	<u>8,088,607</u>	<u>14,088,607</u>

The amounts receivable from The Sisters of Our Lady of China Health Care Pty Ltd (Investment 1) (OLC 1) & The Sisters of Our Lady of China Health Care Pty Ltd (Investment 2) (OLC 2) are secured by a first mortgage on the land and buildings owned by OLC 1 and OLC 2. The value of the land and buildings secured, exceed the value of the amounts receivable from OLC 1 & OLC 2.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 8. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Land - at cost	3,588,280	3,588,280
Land and buildings - at cost	11,933,993	11,716,286
Less: Accumulated depreciation	<u>(4,570,920)</u>	<u>(4,292,330)</u>
	7,363,073	7,423,956
Plant and equipment - at cost	3,468,334	3,244,719
Less: Accumulated depreciation	<u>(2,710,390)</u>	<u>(2,569,115)</u>
	757,944	675,604
	<u><u>11,709,297</u></u>	<u><u>11,687,840</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Plant and equipment \$	Total \$
Balance at 1 July 2021	3,588,280	7,423,956	675,604	11,687,840
Additions	-	217,707	223,615	441,322
Depreciation expense	<u>-</u>	<u>(278,590)</u>	<u>(141,275)</u>	<u>(419,865)</u>
Balance at 30 June 2022	<u><u>3,588,280</u></u>	<u><u>7,363,073</u></u>	<u><u>757,944</u></u>	<u><u>11,709,297</u></u>

Note 9. Current liabilities - trade and other payables

	2022 \$	2021 \$
Trade payables	228,326	202,858
Employee related liabilities	191,389	186,342
Other payables	<u>37,470</u>	<u>45,427</u>
	<u><u>457,185</u></u>	<u><u>434,627</u></u>

Note 10. Current liabilities - provisions

	2022 \$	2021 \$
Annual leave	415,653	368,609
Long service leave	<u>240,389</u>	<u>298,688</u>
	<u><u>656,042</u></u>	<u><u>667,297</u></u>

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 11. Current liabilities - Refundable resident bonds expected to be paid within 12 months

	2022 \$	2021 \$
Resident bonds payable - current	<u>2,057,342</u>	<u>2,584,431</u>

A reconciliation of the refundable resident bonds at the beginning and end of the current financial year are set out in note 14.

Note 12. Non-current liabilities - Loans from related parties

	2022 \$	2021 \$
Loan payable to Sister of Our Lady of China (Taiwan)	<u>18,281,581</u>	<u>18,281,581</u>

Note 13. Non-current liabilities - provisions

	2022 \$	2021 \$
Long service leave	<u>50,511</u>	<u>110,055</u>

Note 14. Non-current liabilities - Refundable resident bonds expected to be paid after 12 months

	2022 \$	2021 \$
Resident bond - Non current	<u>8,772,540</u>	<u>10,498,600</u>

Reconciliation (current and non-current combined)

Reconciliation of the total fair values at the beginning and end of the current and previous financial year are set out below:

Opening balance	13,083,031	13,535,073
Bonds received	2,346,500	2,939,377
Bonds refunded	<u>(4,599,649)</u>	<u>(3,391,419)</u>
Closing balance	<u>10,829,882</u>	<u>13,083,031</u>

Refundable resident bonds are non interest bearing

Note 15. Equity - retained surpluses

	2022 \$	2021 \$
Retained surpluses at the beginning of the financial year	24,912,849	24,211,700
Surplus/(deficit) after income tax expense for the year	<u>(142,861)</u>	<u>701,149</u>
Retained surpluses at the end of the financial year	<u>24,769,988</u>	<u>24,912,849</u>

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2022

Note 16. Key management personnel disclosures

Remuneration of key management personnel

The aggregate amount of compensation paid to key management personnel during the year was:

	2022	2021
	\$	\$
Remuneration of key management personnel		
The aggregate amount of compensation paid to key management personnel during the year was:	<u>787,019</u>	<u>850,788</u>

Note 17. Related party transactions

Parent entity

The Sisters of Our Lady of China (Peakhurst Nursing Home) is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Loans to/from related parties

Disclosures relating to loans receivable from and payable to related parties are set out in note 7 and note 12 respectively.

Note 18. Segment note

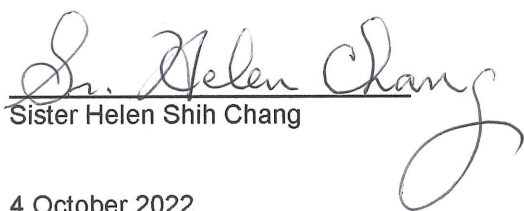
The Aged Care Financial Report of The Sisters of Our Lady of China (NAPS ID 1217) is solely Residential Aged Care and all figures in the financial statements relate to Residential Aged Care solely.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Directors' declaration
30 June 2022

In the trustees' opinion:

- the attached financial statements which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Trustees


Sister Helen Shih Chang

4 October 2022

The Sisters of Our Lady of China (Trading as Peakhurst Nursing Home) ABN 70 084 133 667

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of The Sisters of Our Lady of China (the Nursing Home), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion the financial report of the Nursing Home has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Nursing Home's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards, and Division 60 of 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 Nursing Home in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of the Trustees for the Financial Report

The Trustees of the Nursing Home are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Trustees responsibility also includes such internal control as the Trustees 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 Trustees are responsible for assessing the Nursing Home's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Nursing Home or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Nursing Home's financial reporting process.

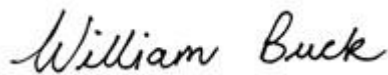
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>

This description forms part of our independent auditor's report.



William Buck
Accountants & Advisors
ABN 16 021 300 521



L.E. Tutt
Partner
Sydney, 4 October 2022