The Deniliquin Nursing Home Foundation Ltd

ABN 82 853 483 224

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Deniliquin Nursing Home Foundation Ltd
ABN: 82 853 483 224
Director's Report
For the year ended 30 June 2024

Directors

Neville Purtill
Matthew Watts
Justine Keech
Susan Martin
Gael Todd
Donald Bull
Anna Scott
Richard Fogarty (Resigned 27 August 2023)

The directors have been in office since the start of the financial year until the date of this report unless otherwise stated.

Principal Activities

The principal activities of The Deniliquin Nursing Home Foundation Ltd during the year were the provision of residential aged care. No significant changes in the nature of operations occurred during the year.

Review of Operations

The surplus for the financial year before comprehensive income was $34,032 (2023 $570,423)

Events Subsequent to the End of the Reporting Period

A Director of Clinical Care was appointed on 16 August 2024, The CEO departed on 15 October 2024. The Directors are not aware of any other significant events since the end of the reporting period.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.

Dividends

The company is a not-for-profit public company limited by guarantee. The constitution of the company prohibits the distribution of its income and property to its members.

Proceedings on Behalf of Company

No proceedings on behalf of the company or intervention in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings occurred during the year.

Auditor's Independence Declaration

A copy of the auditors independence declaration as required under section 307C of the Corporations Act 2001 follows this report.

Information on Directors

Neville Purtill	Director
Qualifications	Director of Purtill family business operations, including Fuel, General Retail, Hospitality, Transport and Logistics.
Experience	Director since 2010
Special responsibilities	Chairperson
Matthew Watts	Director
Qualifications	Bachelor of Applied Science, Grad Dip Applied Corporate Governance, Corporate Services Manager of Purtill Group.
Experience	Director since 2021
Special responsibilities	Chair of Finance Committee
Justine Keech	Director
Qualifications	Managing director of Yield Insurance.
Experience	Director since 2021
Special responsibilities	Member of Finanace Committee
Susan Martin	Director
Qualifications	Bachelor of Applied Science - Occupational Therapy, Consultant Occupational Therapy with Deniliquin Occupational Therapy Services.
Experience	Director since 2022
Special responsibilities	Chair of Clinical and Governance Committee
Gael Todd	Director
Qualifications	Registered Nurse for over 20 years and former employee of Navorina Nursing Home.
Experience	Director since 2022
Special responsibilities	Member of Clinical and Governance Committee
Donald Bull	Director
Qualifications	Certificate in Business Studies, Farmer
Experience	Director since 2023
Special responsibilities	Member of Finance Committee
Anna Scott	Director
Qualifications	Dip Community Services Work, 15 years of Aged Care (Community Care), NDIS support coordinator, Member of Denilquin Local Health Area Committee.
Experience	Director since 2023
Special responsibilities	Member of Clinical and Governance Committee
Richard Fogarty	Director (Resigned 27 August 2023)
Qualifications	Retired small business owner, Operator of B&B business, Past board member of Yallambee, Life member and past treasurer of the Deniliquin Boat Club.
Experience	Director since 2013
Special responsibilities	Member of Finance Committee

The Deniliquin Nursing Home Foundation Ltd
ABN: 82 853 483 224
Director's Report
For the year ended 30 June 2024

Meetings of Directors
During the financial year, 10 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings No. eligible to attend	No. attended
Neville Purtill	10	9
Matthew Watts	10	7
Justine Keech	10	8
Susan Martin	10	7
Gael Todd	10	8
Donald Bull	10	7
Anna Scott	10	8
Richard Fogarty	1	1

Director ______________________
Neville Purtill - Chairperson

Director ______________________
Matthew Watts - Treasurer

Dated: 28/10/24

GOULBURN MURRAY AUDIT SERVICES

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE DENILIQUIN NURSING HOME FOUNDATION LTD

ABN 82 853 483 224

FOR THE YEAR ENDED 30 JUNE 2024

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Adam Purtill RCA 419507
Date: 29 October 2024
375 Wyndham Street Shepparton, VIC 3630

The Deniliquin Nursing Home Foundation Ltd
ABN 82 853 483 224
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024

	Notes	2024 $	2023 $
Revenue from operating activities	2	7,414,379	6,454,197
Other income	2	377,033	786,060
Employee benefits expense	3	(5,928,995)	(5,104,917)
Depreciation expense	3	(473,859)	(445,978)
Finance costs		(18,631)	(11,053)
Other expenses	3	(1,335,895)	(1,107,886)
Surplus/(deficit) before income tax		**34,032**	**570,423**
Income tax expense	1(b)	-	-
Surplus for the year		**34,032**	**570,423**
Other comprehensive income:			
Loss on revaluation of land and buildings		-	(133,511)
Other comprehensive income for the year		**-**	**(133,511)**
Total comprehensive income for the year		**34,032**	**436,912**
Surplus/(deficit) attributable to the members of the entity		**34,032**	**570,423**
Total comprehensive income attributable to members of the entity		**34,032**	**436,912**

The accompanying notes form part of these financial statements

The Deniliquin Nursing Home Foundation Ltd
ABN 82 853 483 224
Statement of Financial Position
as at 30 June 2024

	Notes	2024 $	2023 $
Current Assets			
Cash and cash equivalents	5	4,074,990	2,389,746
Trade and other receivables	6	90,526	63,772
Other Assets	7	133,364	96,870
Total Current Assets		**4,298,880**	**2,550,388**
Non-Current Assets			
Property, plant and equipment	8	13,828,012	14,102,755
Total Non-Current Assets		**13,828,012**	**14,102,755**
Total Assets		**18,126,892**	**16,653,143**
Current Liabilities			
Trade and other payables	9	517,285	359,870
Monies held in trust	10	6,406,566	5,155,000
Employee benefits	11	387,362	363,388
Total Current Liabilities		**7,311,213**	**5,878,258**
Non-Current Liabilities			
Employee benefits	11	248,863	242,101
Total Non-Current Liabilities		**248,863**	**242,101**
Total Liabilities		**7,560,076**	**6,120,359**
Net Assets		**10,566,816**	**10,532,784**
Equity			
Asset Revaluation Reserve		2,325,229	2,325,229
Retained surplus		8,241,587	8,207,555
Total Equity		**10,566,816**	**10,532,784**

The accompanying notes form part of these financial statements

The Deniliquin Nursing Home Foundation Ltd
ABN 82 853 483 224
Statement of Changes in Equity
for the year ended 30 June 2024

	Retained Surplus $	Asset Revaluation Surplus $	Total Equity $
Balance at 1 July 2022	7,637,132	2,458,740	10,095,872
Surplus/(deficit) for the year	570,423	-	570,423
Other comprehensive income for the year	-	(133,511)	(133,511)
Total comprehensive income for the year	570,423	(133,511)	436,912
Balance at 30 June 2023	**8,207,555**	**2,325,229**	**10,532,784**
Balance at 1 July 2023	8,207,555	2,325,229	10,532,784
Surplus/(deficit) for the year	34,032	-	34,032
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	34,032	-	34,032
Balance at 30 June 2024	**8,241,587**	**2,325,229**	**10,566,816**

The accompanying notes form part of these financial statements

The Deniliquin Nursing Home Foundation Ltd
ABN 82 853 483 224
Statement of Cash Flows
for the year ended 30 June 2024

	Notes	2024 $	2023 $
Cash Flows From Operating Activities			
Receipts from operations and grants		7,772,367	7,512,994
Payments to suppliers and employees		(7,209,474)	(6,617,637)
Interest received		90,448	515
Finance costs		(18,631)	(11,053)
Net cash flows provided by/(used in) operating activities	18(b)	**634,710**	**884,819**
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(201,032)	(602,612)
Accommodation deposits repaid		(1,800,000)	(2,310,000)
Monies received as accommodation deposits		3,051,566	2,965,000
Net cash flows provided by/(used in) investing activities		**1,050,534**	**52,388**
Cash Flows From Financing Activities			
Net cash flows provided by/(used in) investing activities		**-**	**-**
Net (decrease)/increase in cash held		**1,685,244**	**937,207**
Cash and cash equivalents at beginning of financial year		2,389,746	1,452,539
Cash and cash equivalents at end of financial year	18(a)	**4,074,990**	**2,389,746**

The accompanying notes form part of these financial statements

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure's of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012* . The Deniliquin Nursing Home Foundation Ltd (Navorina) is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

(a) Revenue
Revenue recognition
Contributed Assets
Navorina receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of the applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, Navorina recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

Navorina recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Resident Fees & Contributions, Operating Grants, Donations and Bequests
When Navorina receives resident fees and contributions, operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,

When both these conditions are satisfied, Navorina:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Navorina:

- recognises the asset received in accordance with the recognition requirements of the applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, Navorina recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant
When Navorina receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

Navorina recognises income in profit or loss when or as Navorina satisfies its obligations under terms of the grant.

Interest Income
Interest income is recognised using the effective interest method.

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

(b) Income Tax
Navorina Aged Care Inc. is exempt from income tax under Section 50-45 of the *Income Tax Assessment Act 1997* .
Navorina is endorsed as a Deductible Gift Recipient.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES CONTINUED

(c) 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. Bank overdrafts are shown within payables in current liabilities in the Statement of Financial Position.

(d) Trade and Other Debtors

Trade and other debtors include amounts due from customers for services provided. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(m) for further discussion on the determination of impairment losses.

(e) Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers as determined by the Directors, less subsequent depreciation for buildings.

The revaluation process normally occurs every three to five years. The most recent revaluation was made in June 2023 for land and buildings. The next revaluation may be earlier than normal review period should there be an indication that fair values are materially different from the carrying value. In periods when the freehold land and buildings are not subject to an independent valuation, the Directors conducts their own valuation to ensure the carrying amount for the land and buildings is not materially different to the fair value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(l) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10-20%
Motor Vehicles	15%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is the written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation relating to the assets are transferred to retaining earnings.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES CONTINUED

(f) Leases

Navorina as lessee

At inception of a contract, Navorina assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by Navorina where Navorina is a lessee. However all contracts that are classified as short-term leases (leases with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Navorina has no leases as lessee (including concessionary leases) or lessor that have a lease term exceeding 12 months.

(g) Resident Accommodation Bonds, Contributions, and Deposits

On admission to the facility, residents pay an Accommodation Bond, Accommodation Deposit or Accommodation Contribution. Navorina is entitled to retain part of each accommodation bond from pre 1 July 2014 depending on how long the resident remains in the Residential Care Facility. From 1 July 2014 for all new admissions, the Residential Care Facility is no longer entitled to retain part of each Accommodation Deposit or Contribution.

The amount of $6,406,566 is classified as a current liability in the statement of financial position, as it is defined by accounting standards as a current liability. However it is anticipated that only a portion of the total balance will actually fall due during the next 12 months (note 10).

(h) Employee Benefits

Short-term employee benefits

Provision is made for Navorina's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Navorina's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Contributions are made by Navorina to an employee superannuation fund and are charged as expenses when incurred.

Other long-term employee benefits

Navorina classifies employees' long service leave and annual leave entitlements as other long-term employee benefits where as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for Navorina's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Navorina's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where Navorina does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(i) Provisions

Provisions are recognised when Navorina has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES CONTINUED

(k) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when Navorina becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that Navorina commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES CONTINUED

(k) Financial Instruments continued

Navorina initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, Navorina made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with Navorina’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- Navorina no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which Navorina elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Navorina recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Navorina uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES CONTINUED

(k) Financial Instruments continued

General approach

Under the general approach, at each reporting period, Navorina assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, Navorina measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, Navorina measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), Navorina measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, Navorina assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, Navorina applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, Navorina recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(l) Impairment of Assets

At the end of each reporting period, Navorina reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, Navorina estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

(n) Critical Accounting Estimates and Judgements

The Director's 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 Navorina.

Key estimates

(i) *Useful lives of property, plant and equipment*

As described in Note 1(e), Navorina reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(ii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* requires measurement of long-term employee benefits using a number of estimated inputs. These include probable length of service by employees, rates of wage inflation and future interest rates used for discounting the liability to present value. The inputs used represent the best estimate of the probable liability.

(iii) *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 collectable. The impairment provision is based on the best information at the reporting date.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(o) Fair Value of Assets and Liabilities

Navorina measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price Navorina would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to Navorina at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and Navorina’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

	2024	2023
2. Revenue and other income	**$**	**$**
Revenue from contracts with customers		
- Personal Care Subsidies - recognised over time	5,715,241	4,982,958
- Resident's fees (including respite) - recognised over time	1,431,058	1,237,116
- Accomodation charges - recognised over time	268,080	234,123
	7,414,379	6,454,197
Other income		
- Memberships	173	363
- Government Grants	129,992	435,838
- Interest income	90,448	515
- Bequests and donations	106,949	298,619
- Profit/(Loss) on sale of property, plant, and equipment	(1,916)	-
- Sundry income	51,387	50,725
	377,033	786,060
3. Expenses		
Depreciation expense		
- Buildings	328,953	328,786
- Plant and equipment	143,201	115,488
- Motor Vehicles	1,705	1,704
	473,859	445,978
Employee benefits expense		
- Wages and salaries	5,079,466	4,296,765
- Superannuation expense	525,538	434,104
- Other expenses	323,991	374,048
	5,928,995	5,104,917
Other expenses		
- Agency and allied health	275,978	-
- Food expenses	287,306	274,839
- Medical related services & expenses	158,624	145,408
- Utilities & Rates	127,723	187,784
- Repairs and maintenance (inc cleaning and waste)	135,552	134,687
- Printing & postage	8,755	10,081
- Telephone & computer	73,365	72,440
- Insurance	61,351	53,527
- Licenses & subscriptions	46,588	39,909
- Professional fees	63,182	72,000
- Consulting fees	30,698	45,565
- Miscellaneous	66,773	71,646
	1,335,895	1,107,886
4. Auditors' Remuneration		
Amounts received or due and receivable by Auditors		
- Audit or review of the financial report	11,000	10,750
- Assistance with preparation of financial report	1,765	1,650
	12,765	12,400
5. Cash and Cash Equivalents		
Cash on hand	2,109	1,243
Cash at bank and deposit	4,072,881	2,388,503
	4,074,990	2,389,746
6. Trade and Other Receivables		
Trade receivables	97,691	63,772
Less provision for impairment	(37,650)	-
Other receivables	620	-
Accrued revenue	29,865	-
	90,526	63,772
7.Other Assets		
Inventory	23,906	23,906
Prepaid expenses	109,458	72,964
	133,364	96,870

8. Property, Plant and Equipment	2024 $	2023 $
Land		
At Valuation	400,000	400,000
	400,000	400,000
Buildings		
At Valuation	13,150,000	13,150,000
Less accumulated depreciation	(657,500)	(328,750)
At Cost	9,548	4,000
Less accumulated depreciation	(239)	(36)
	12,501,809	12,825,214
Plant and equipment		
At cost	1,583,668	1,409,120
Less accumulated depreciation	(661,913)	(540,702)
	921,755	868,418
Motor Vehicles		
At cost	11,364	11,364
Less accumulated depreciation	(6,916)	(5,211)
	4,448	6,153
WIP		
Work in progress	-	2,970
	-	2,970
Total Property, Plant and Equipment	**13,828,012**	**14,102,755**

Movements in carrying amounts	2024 $	2023 $
Land		
Balance at the beginning of year	400,000	400,000
Disposals	-	-
Revaluations	-	-
Balance at the end of year	400,000	400,000
Buildings		
Balance at the beginning of year	12,825,214	13,150,000
Additions	2,578	137,510
Transfers	2,970	-
Disposals	-	-
Depreciation expense	(328,953)	(328,786)
Revaluations	-	(133,510)
Balance at the end of year	12,501,809	12,825,214
Plant & equipment		
Balance at the beginning of year	868,418	521,775
Additions	198,454	462,131
Disposals	(1,916)	-
Depreciation expense	(143,201)	(115,488)
Balance at the end of year	921,755	868,418
Motor Vehicles		
Balance at the beginning of year	6,153	7,857
Additions	-	-
Transfers	-	-
Disposals	-	-
Depreciation expense	(1,705)	(1,704)
Balance at the end of year	4,448	6,153
WIP		
Balance at the beginning of year	2,970	-
Additions	-	2,970
Transfers	(2,970)	-
Balance at the end of year	-	2,970
Total		
Balance at the beginning of year	14,102,755	14,079,632
Additions	201,032	602,611
Disposals	(1,916)	-
Revaluations	-	(133,510)
Depreciation expense	(473,859)	(445,978)
Balance at the end of year	13,828,012	14,102,755

9. Trade and Other Payables	**2024** **$**	**2023** **$**
Trade payables	235,374	149,166
Contract liability	95,546	82,936
Other payables and accruals	186,365	127,768
	517,285	359,870

10. Monies held in trust

Current		
Accommodation deposit balances	6,406,566	5,155,000
	6,406,566	5,155,000

All refundable accommodation funds are classified as a current liability as the entity does not have an unconditional right to defer the settlement should a resident leave residential care. The Deniliquin Nursing Home Foundation Ltd expects that $1,953,333 will be repaid during the 2024/25 financial year based on a 3 year average, of which an undetermined amount may be recouped by the entry of further residents.

11. Employee Benefits

Current		
Annual leave	197,604	202,582
Other leave	169,326	105,878
Long service leave	20,432	54,928
	387,362	363,388
Non-Current		
Long service leave	248,863	242,101

12. Capital Commitments

The company has no capital commitments as at 30 June 2024.

13. Related Party Disclosures

No remuneration or retirement benefits were paid to Directors in their capacity as Directors, as the positions are voluntary.
Director related party purchases during the year amounted to $3,843 (2023 $7,594)
Key Management Personnel remuneration (Director) was $1,735 (2023 $Nil)
Key Management Personnel remuneration (Executive) was $277,811 (2023 $193,885)

14. Events Subsequent after the Reporting Period

A Director of Clinical Care was appointed on 16 August 2024, The CEO departed on 15 October 2024. The Directors are not aware of any other significant events since the end of the reporting period.

15. Contingent Liabilities and Contingent Assets

There were no contingent assets or contingent liabilities at the date of this report to affect the financial statements.

16. Prudential Compliance Statement - Aged Care Act

The Deniliquin Nursing Home Foundation Ltd meets the requirements of Prudential Compliance Statements as set down in the Aged Care Act 1997. All Services, and Fees and Payments Principles 2014 (No.2).

17. Segment Reporting

The Deniliquin Nursing Home Foundation Ltd operates only in one business and geographic segment, being the delivery of residential aged care services in southern NSW. This financial report relates only to these operations.

18. Cash Flow Statement Information **(a)** *Reconciliation of cash*	**2024** **$**	**2023** **$**
Cash on hand	2,109	1,243
Cash at bank and deposit	4,072,881	2,388,503
	4,074,990	2,389,746

(b) *Reconciliation of profit/(loss) from operations to net cash provided by operating activities*

Profit/(loss) for the year	34,032	570,423
Non cash items in profit/(loss)		
- Depreciation	473,859	445,978
- (Profit)/Loss on sale of assets	1,916	-
Changes in assets and liabilities		
- (Increase) decrease in trade and other receivables	(26,754)	86,582
- (Increase) decrease in other assets	(36,494)	30,253
- Increase (decrease) in trade and other payables	157,415	(317,590)
- Increase (decrease) in provisions	30,736	69,173
Net cash flows provided by operating activities	634,710	884,819

19. Aged Care Accreditation Standards

Navorina operates a Residential Aged Care Service under The Commonwealth Government Aged Care Act (1977). The facility has full accreditation status and have achieved all 44 accreditation outcome standards.

20. Economic Dependence

The company is dependent on Commonwealth funding for a significant component of its operating revenue. At the date of this report, the directors have no reason to believe the the Commonwealth will not continue to fund the company.

21. Company Details

The registered office and principal place of business is:

The Deniliquin Nursing Home Foundation Ltd
5-9 Macauley
Deniliquin NSW

22. Financial Instruments

(a) Financial Risk Management Policies

Navorina's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable. Navorina does not have any derivative instruments at 30 June 2024.

The totals for each category of financial instrument, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2024	2023
Financial Assets		$	$
Amortised cost			
- Cash and cash equivalents	5	4,074,990	2,389,746
- Receivables	6	90,526	63,772
Total Financial Assets		4,165,516	2,453,518
Financial Liabilities			
Financial liabilities at amortised costs:			
- Trade and other payables	9	517,285	359,870
- Accommodation deposit balances	10	6,406,566	5,155,000
Total Financial Liabilities		6,923,851	5,514,870

(b) Net Fair Values

The net fair values of investments at balance date is the amortised cost value, except for the share and investment portfolio which is measured at fair value by reference to quoted market prices. All financial liabilities are listed at amortised cost.

The Deniliquin Nursing Home Foundation Ltd
ABN 82 853 483 224
Responsible Persons Delcaration

Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The responsible persons declare that in the responsible persons' opinion:

(a) there are grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Neville Purtill - Chairperson

Matthew Watts - Treasurer

Dated: 28/10/24

GOULBURN MURRAY AUDIT SERVICES

INDEPENDENT AUDITOR'S REPORT

To the Members of The Deniliquin Nursing Home Foundation Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of The Deniliquin Nursing Home Foundation Ltd, which comprises the statement of financial position as at 30 June 2024, 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 responsible entities' declaration.

In my opinion the financial report of The Deniliquin Nursing Home Foundation Ltd 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 registered entity's financial position as at 30 June 2024 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

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

Shepparton
Finley
Deniliquin
CPA

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P.O Box 5, Shepparton VIC 3632

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ABN 87 650 289 286

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations or has no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

• Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

• Conclude on the appropriateness of the responsible entities' 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Adam Purtill RCA 419507
Date: 29 October 2024
375 Wyndham Street Shepparton, VIC 3630