Australian Nursing Home Foundation Limited

ABN: 73 115 456 230

Financial Report

For the Year Ended 30 June 2022

Contents

Corporate Information

Directors (Responsible Entities)
The Directors of Australian Nursing Home Foundation Limited at the date of this report are:

Ellen Louie (Chairperson)
Agnes Mei Mei Tse
Bernard Tse
Andrew Gock

Chief Executive Officer
Ada Cheng

Company Secretary
Johnny Teong

Registered charity street address
58 - 60 Weldon Street
Burwood NSW 2134

Auditor
Grant Thornton

Grant Thornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Responsible Entities of Australian Nursing Home Foundation Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Australian Nursing Home Foundation Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

James Winter

James Winter
Partner - Audit & Assurance

Sydney, 26 October 2022

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 $	2021 $
REVENUE AND OTHER INCOME			
Revenue from continuing operations	2-1	32,687,754	31,426,373
Other income	2-2	131,096	257,530
Total revenue and other income		**32,818,850**	**31,683,903**
EXPENSES			
Employee benefits expense		(22,462,665)	(21,373,430)
Client support services expense		(2,983,079)	(2,466,093)
Catering expenses		(549,116)	(491,295)
Depreciation expense		(2,014,784)	(2,070,023)
Rental expense		(173,709)	(169,585)
Interest expense on lease liabilities		(431,495)	(469,454)
Other operating expenses		(3,967,198)	(3,939,699)
Total expenses		**(32,582,046)**	**(30,979,579)**
Surplus for the year		**236,804**	**704,324**
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**236,804**	**704,324**

Statement of Financial Position
As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	6,101,525	23,103,659
Trade and other receivables	4	1,170,322	929,353
Other assets	5	20,620,896	7,099,115
TOTAL CURRENT ASSETS		**27,892,743**	**31,132,127**
NON-CURRENT ASSETS			
Property, plant and equipment	6	26,272,640	18,319,810
Right-of-use assets	7	8,803,632	10,072,121
TOTAL NON-CURRENT ASSETS		**35,076,272**	**28,391,931**
TOTAL ASSETS		**62,969,015**	**59,524,058**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	7,921,481	6,172,624
Contract liabilities	9	3,948,460	4,608,478
Provisions	10	4,428,842	3,607,565
Borrowings	11	8,862,022	6,568,153
Lease liabilities	12	873,503	1,029,491
TOTAL CURRENT LIABILITIES		**26,034,308**	**21,986,311**
NON-CURRENT LIABILITIES			
Provisions	10	600,692	567,034
Lease liabilities	12	8,884,373	9,757,875
TOTAL NON-CURRENT LIABILITIES		**9,485,065**	**10,324,909**
TOTAL LIABILITIES		**35,519,373**	**32,311,220**
NET ASSETS		**27,449,642**	**27,212,838**
FUNDS			
Accumulated funds		27,449,642	27,212,838
TOTAL FUNDS		**27,449,642**	**27,212,838**

Statement of Changes in Funds
For the year ended 30 June 2022

	Total funds
	$
Balance at 1 July 2020	26,508,514
Surplus for the year	704,324
Other comprehensive income	-
Total comprehensive income for the year	704,324
Balance at 30 June 2021	**27,212,838**
Balance at 1 July 2021	27,212,838
Surplus for the year	236,804
Other comprehensive income	-
Total comprehensive income for the year	236,804
Balance at 30 June 2022	**27,449,642**

Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from government subsidies and other grants, resident and client fees		31,786,767	31,063,877
Interest income		131,096	257,530
Payments to clients, suppliers and employees		(29,405,650)	(27,632,062)
Net cash provided by operating activities	13	**2,512,213**	**3,689,345**
Cash flows from investing activities			
Redemption of term deposits		(13,500,000)	5,400,000
Payments for property, plant and equipment		(8,720,872)	(4,377,921)
Net proceeds from related party		412,656	86,689
Net cash (used in)/provided by investing activities		**(21,808,216)**	**1,108,768**
Cash flows from financing activities			
Net proceeds from accommodation and rental bonds and deposits		2,293,869	280,204
Net cash used in financing activities		**2,293,869**	**280,204**
Net change in cash and cash equivalents		(17,002,134)	5,078,317
Cash and cash equivalents at beginning of year		23,103,659	18,025,342
Cash and cash equivalents at end of year	3	**6,101,525**	**23,103,659**

Notes to the financial statements

The financial statements are for Australian Nursing Home Foundation Limited (the "Company") which is a not-for-profit company limited by guarantee, registered with the Australian Charities and Not-for-profits Commission.
The financial statements were approved by the Directors on 26 October 2022.

1 Summary of significant accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The Company has considered any new and revised Accounting Standards and Interpretations effective for the current period and issued but are not yet effective, and concluded that there is no significant impact on the Company's accounting policies or the amounts reported in the financial statements.
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. The functional and presentation currency of the Company is Australian dollars.

(b) Revenue

Revenue comprises revenue from the rendering of services, government grants, client contributions and donations.

Revenue recognition policy for revenue from contracts with customers (AASB 15)
AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.
Revenue is recognised by applying a five-step model as follows:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.
None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

<u>Grant revenue</u>

Grant revenue arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.
Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

<u>Rendering of services</u>

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be measured reliably. If this is the case 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 measured then revenue is recognised to the extent of expenses recognised that are recoverable.

1 Summary of significant accounting policies (continued)

Donations and bequests

Donations and bequests received, including cash and goods for resale, are recognised as income when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

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

(c) Property, plant and equipment

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

Leasehold improvements, plant and equipment

Leasehold Improvements, Plant and Equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. Assets 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 leasehold improvements is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the expected period of that the leased premises will be utilised which may be longer than the documented lease, if this is a reasonable expectation.

The useful lives used for each class of depreciable asset are shown below:

Leasehold improvements	40 years
Plant and Equipment	3 – 10 years
Motor Vehicles	4 – 10 years
Office Equipment	3 – 13 years
Computer Equipment	3 – 7 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is 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 income statement.

(d) Impairment of assets

At the end of each reporting year, the Company reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve 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 same class of asset.

1 Summary of significant accounting policies (continued)

(e) Leases

The lease liability is initially measured as the present value of future lease payments. The initial measurement of the right-of-use asset is based on the lease liability, with adjustments for any prepaid rents, lease incentives received and initial direct costs incurred. In subsequent periods, the lease liability is accounted for similarly to a financial liability using the effective interest method. The right-of-use asset is accounted for similarly to a purchased asset and depreciated.

Motor vehicles

The Company leases vehicles used by staff to provide transportation services to its residents and clients. The lease terms vary from 3 – 8 years and the lease payments are fixed during the lease term.

Buildings

The Company leases its aged care homes and main office space with lease terms of 12 years and the lease payments are fixed during the lease term. Increases in annual lease payments are fixed in accordance with the lease agreements.

(f) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

1 Summary of significant accounting policies (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(g) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

1 Summary of significant accounting policies (continued

(h) Employee benefits

Provision is made for the Company'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 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 twelve months 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. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119 Employee Benefits.

(i) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(j) Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

(k) 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).

Receivables and payables are stated inclusive of GST. 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.

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.

(l) Income Tax

The Company is registered with the Australian Charities and Not-for-profits Commission and is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997.*

(m) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1 Summary of significant accounting policies (continued)

(n) Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(o) Contract liabilities

Contract liabilities is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after the reporting date or the conditions will only be satisfied more than twelve months after the reporting date, the liability is discounted and presented as non-current.

(p) Critical accounting estimates and judgements

The Directors 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 the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

<u>Revenue</u>

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the Company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the Company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

<u>Useful lives of depreciable assets</u>

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

The Directors have determined that the leasehold buildings should be depreciated over a longer period than the lease period as there is a reasonable expectation that the company will continue to utilise the property for its useful life.

<u>Long service leave</u>

The liability for long service leave is recognised and measured at the present value of the estimated 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.

2 Revenue

	2022 $	2021 $
2-1 Revenue from the provision of services and operations		
Revenue recognised from service obligations (AASB 15)		
Government subsidies and other grants	26,483,827	24,802,685
Fees from residents and clients	5,763,325	5,686,640
Other revenue	225,542	257,099
Income recognised under AASB 1058 Income of Not-for-profit Entities		
COVID-19 government support payments	215,060	679,949
Revenue and income from the provision of services and operations	**32,687,754**	**31,426,373**
Timing of revenue recognition		
Services and operations revenue recognised over time	-	-
Services and operations revenue recognises at a point in time	32,687,754	31,426,373
Revenue from the provision of services and operations	**32,687,754**	**31,426,373**
Government revenue (disaggregated from above)		
Federal Government funding		
Commonwealth residential aged care support	14,086,731	13,787,021
Commonwealth Home Care, CHSP and CVS funding	12,397,096	11,015,664
Commonwealth COVID-19 support grants	215,060	679,949
Total Federal Government funding	**26,698,887**	**25,482,634**

2-2 Other income

Interest income	**131,096**	**257,530**

3 Cash and cash equivalents

	2022 $	2021 $
Cash at bank	2,583,225	9,886,359
Cash on hand	18,300	17,300
Short term deposits	3,500,000	13,200,000
Total cash and cash equivalents	**6,101,525**	**23,103,659**

Total cash and cash equivalents includes restricted cash amounts held for clients of $3,956,703 (2021: $3,245,003) which is also included in contract liabilities as referred to in Note 9.

4 Trade and other receivables

	2022 $	2021 $
Trade receivables	892,950	726,439
Allowance for expected credit losses	-	-
	892,950	726,439
Contract assets	78,630	100,722
GST receivable	198,742	102,192
Total trade and other receivables	**1,170,322**	**929,353**

5 Other assets

	2022 $	2021 $
Financial assets – bank term deposits (terms in excess of 90 days)	20,500,000	7,000,000
Prepayments	120,896	99,115
Total other assets	**20,620,896**	**7,099,115**

6 Property, plant and equipment

	Leasehold Property Development Costs $	Leasehold Improvements $	Plant & Equipment $	Total $
Gross carrying amount				
Balance 1 July 2021	6,789,074	13,264,386	4,718,716	24,772,176
Additions	8,580,124	-	140,747	8,720,872
Disposals	-	-	(27,186)	(27,186)
Balance 30 June 2022	15,369,198	13,264,386	4,832,277	33,465,861
Depreciation				
Balance 1 July 2021	-	3,055,693	3,396,673	6,452,366
Depreciation	-	373,790	372,505	746,295
Disposals	-	-	(5,440)	(5,440)
Balance 30 June 2022	-	3,429,483	3,763,738	7,193,221
Carrying amount 30 June 2021	**6,789,074**	**10,208,693**	**1,322,043**	**18,319,810**
Carrying amount 30 June 2022	**15,369,198**	**9,834,903**	**1,068,539**	**26,272,640**

7 Right-of-use assets

	Buildings $	Motor Vehicles	Total $
Right-of-use assets	9,722,665	349,456	10,072,121
Depreciation charge	(932,398)	(336,091)	(1,268,489)
Balance at 30 June 2022	**8,790,267**	**13,365**	**8,803,632**

8 Trade and other payables

	2022 $	2021 $
Trade payables	313,047	460,469
Other creditors and accruals	1,982,091	1,959,453
Related party payable – ANHF	5,626,343	3,752,702
Total trade and other payables	**7,921,481**	**6,172,624**

9 Contract liabilities

	2022 $	2021 $
Unspent program funding	1,380,092	1,343,475
Consumer directed care unspent funds	2,537,096	3,245,003
Other	31,272	20,000
Total contract liabilities	**3,948,460**	**4,608,478**

10 Provisions

	2022 $	2021 $
Current		
Annual leave entitlements	2,966,621	2,363,394
Long service leave entitlements	1,427,844	1,205,673
Other provisions	34,377	38,498
	4,428,842	**3,607,565**
Non-current		
Long service leave entitlements	**600,692**	**567,034**
Total provisions	**5,029,534**	**4,174,599**

11 Borrowings

	2022 $	2021 $
Refundable Accommodation Deposits (RADs)	8,838,026	6,548,323
Rental bonds	20,996	19,830
Other	3,000	-
Total borrowings	**8,862,022**	**6,568,153**

12 Lease liabilities

	2022 $	2021 $
Current		
Lease liabilities - buildings	796,219	732,451
Lease liabilities - motor vehicles	77,284	297,040
	873,503	1,029,491
Non-current		
Lease liabilities - buildings	8,884,373	9,680,591
Lease liabilities - motor vehicles	-	77,284
	8,884,373	9,757,875
Total lease liabilities	**9,757,876**	**10,787,366**

13 Reconciliation of cash flows from operating activities

	2022 $	2021 $
Net surplus for the year	236,804	704,324
Non-cash flows in operating surplus:		
Depreciation – right of use assets	1,268,490	1,268,490
Depreciation and disposals- property, plant & equipment and	768,042	801,534
Lease interest shown as financing activities	431,495	469,454
Net changes in assets and liabilities:		
Change in trade and other receivables	(240,968)	(711,141)
Change in other assets	(21,781)	18,350
Change in trade and other payables	(124,784)	197,094
Change in provisions	854,933	599,603
Change in other liabilities	(660,018)	341,637
Net cash flows from operating activities	**2,512,213**	**3,689,345**

14 Auditor's remuneration

	2022 $	2021 $
Audit of the financial statements	46,300	43,650
Total auditor's remuneration	**46,300**	**43,650**

15 Related party transactions

The Company's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

Transactions with key management personnel

Key management personnel of the Company are the Australian Nursing Home Foundation Limited's Board of Directors and senior management personnel.

The Director benefits received during the financial year are as follows:

Directors	2022 $	2021 $
Ellen Louie (Board Chair)	55,000	55,000
Agnes Mei Mei Tse	6,600	6,600
Bernard Tse	6,600	6,600
Andrew Gock	6,600	6,600
Total Director benefits	**74,800**	**74,800**

Key management personnel remuneration includes the following expenses paid to executive members:

	2022 $	2021 $
Total key management personnel remuneration (excluding Director benefits)	728,591	853,740

Transactions with Australian Nursing Home Foundation

A majority of the Directors of the Company during the year were also the Trustees of the Australian Nursing Home Foundation. At year-end, the Company has an amount of $5,626,343 (2021: $3,752,702) owed to the Australian Nursing Home Foundation. The amount is at call and interest free.

The Company's other transactions with this Trust during the year include:

	2022 $	2021 $
Lease expenses for property and motor vehicles	1,503,108	1,473,933

16 Contingent liabilities and contingent assets

A contingent liability exists to the Commonwealth of Australia (the "Commonwealth") in respect of capital funding received by this Company from the Commonwealth in respect of the construction of nursing home facilities on land owned at Hurstville by the Australian Nursing Home Foundation (a related party). Should this Company cease to comply with the funding deed e.g. sale or change in the use of the property, the Commonwealth has certain rights of recovery of the grant funding up to $2,975,868 from this Company and the Foundation, which are both jointly and severally liable for the repayment, should it be required. Neither the Company nor the Foundation has any plans which would lead to the recovery of the capital grant.

The Company had an unused finance facility at year end of $16.905 million with Westpac Banking Corporation that expires four years from the date of the first draw down, which occurred post year end in October 2022. The facility may be used to assist in funding the Company's current development project at Gordon. The facility is secured against property at Gordon owned by Australian Nursing Home Foundation, a general security against the assets and undertakings of this Company, and security over the assets of the Gordon construction project.

There are no contingent assets as at year end.

17 Commitments

Further development costs contracted at year end were $16m.

18 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Responsible Entities' Declaration

The Responsible Entities of the Company declare that:
2-
1. The financial statements and notes of Australian Nursing Home Foundation Limited, as set out on pages 5 to 19, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

   a. giving a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company; and

   b. complying with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013; and

2. There are reasonable grounds to believe that the Company 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 Responsible Entities.

Ellen Louie

Director

Andrew Francis Gock

Director

Dated the 26th day of October 2022

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Australian Nursing Home Foundation Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Nursing Home Foundation Limited (the "Registered Entity") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in funds 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 our opinion, the financial report of Australian Nursing Home Foundation Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act")*, including:

1. giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards – Simplified Disclosures 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 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 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.

Grant Thornton

Responsibilities of the 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 – Simplified Disclosures 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, the 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 intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 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.

We communicate with those charged with governance 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

James Winter

James Winter
Partner - Audit & Assurance

Sydney, 26 October 2022