

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

ABN 70 084 133 667

Annual Report - 30 June 2024

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

Contents

30 June 2024

Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Trustees' declaration	13
Independent auditor's report to the members of The Sisters of Our Lady of China (Peakhurst Nursing Home)	14

General information

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

The financial statements were authorised for issue on 22 October 2024.

**The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024**

	Note	2024 \$	2023 \$
Revenue and other income	3	11,892,782	8,606,955
Interest received		1,863,171	1,468,186
Total income		<u>13,755,953</u>	<u>10,075,141</u>
Expenses			
Administration expenses		(583,659)	(588,659)
Catering and food expense		(486,039)	(363,380)
Cleaning & laundry		(90,563)	(70,012)
Depreciation	4	(608,144)	(520,390)
Residential accommodation expenses		(192,705)	(215,040)
Resident care expenses		(311,375)	(402,095)
Salaries and employee benefits		(8,401,403)	(7,061,622)
Utilities		(191,058)	(198,702)
Expenses - other costs		(24,377)	(34,787)
Staff training		(11,419)	(10,408)
Finance costs		(62,490)	(49,294)
Total expenses		<u>(10,963,232)</u>	<u>(9,514,389)</u>
Surplus before income tax expense		2,792,721	560,752
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the Trustees of The Sisters of Our Lady of China (Peakhurst Nursing Home)	14	2,792,721	560,752
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Trustees of The Sisters of Our Lady of China (Peakhurst Nursing Home)		<u>2,792,721</u>	<u>560,752</u>

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

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Cash and cash equivalents	5	26,051,232	43,924,850
Trade and other receivables	6	472,943	365,677
Property, plant and equipment	7	<u>12,785,398</u>	<u>11,723,018</u>
Total assets		<u>39,309,573</u>	<u>56,013,545</u>
Liabilities			
Trade and other payables	8	721,916	699,170
Provisions - current	9	484,670	753,386
Refundable resident bonds expected to be paid within 12 months	10	1,524,242	2,075,039
Loans from related parties	11	-	18,281,581
Provisions - non current	12	39,976	50,033
Refundable resident bonds expected to be paid after 12 months	13	<u>6,682,445</u>	<u>7,090,733</u>
Total liabilities		<u>9,453,249</u>	<u>28,949,942</u>
Net assets		<u>29,856,324</u>	<u>27,063,603</u>
Equity			
Contribution by settlor		1,732,863	1,732,863
Retained surpluses	14	<u>28,123,461</u>	<u>25,330,740</u>
Total equity		<u>29,856,324</u>	<u>27,063,603</u>

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

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of changes in equity
For the year ended 30 June 2024

	Contribution by settlor \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	1,732,863	24,769,988	26,502,851
Surplus after income tax expense for the year	-	560,752	560,752
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	560,752	560,752
Balance at 30 June 2023	<u>1,732,863</u>	<u>25,330,740</u>	<u>27,063,603</u>
	Contribution by settlor \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	1,732,863	25,330,740	27,063,603
Surplus after income tax expense for the year	-	2,792,721	2,792,721
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	2,792,721	2,792,721
Balance at 30 June 2024	<u>1,732,863</u>	<u>28,123,461</u>	<u>29,856,324</u>

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

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from fees, etc.		11,466,934	8,161,341
Payments to suppliers and employees		<u>(10,660,885)</u>	<u>(8,766,379)</u>
		806,049	(605,038)
Interest received		1,868,166	1,434,872
Other revenue		425,847	445,614
Interest and other finance costs paid		<u>(62,490)</u>	<u>(49,294)</u>
Net cash from operating activities		<u>3,037,572</u>	<u>1,226,154</u>
Cash flows from investing activities			
Payments for property, plant and equipment	7	<u>(1,670,524)</u>	<u>(534,111)</u>
Net cash used in investing activities		<u>(1,670,524)</u>	<u>(534,111)</u>
Cash flows from financing activities			
Repayment of loans from related parties		(18,281,581)	8,088,607
Proceeds from bonds		3,021,943	1,964,324
Repayment of bonds		<u>(3,981,028)</u>	<u>(3,628,434)</u>
Net cash (used in)/from financing activities		<u>(19,240,666)</u>	<u>6,424,497</u>
Net (decrease)/increase in cash and cash equivalents		(17,873,618)	7,116,540
Cash and cash equivalents at the beginning of the financial year		<u>43,924,850</u>	<u>36,808,310</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>26,051,232</u></u>	<u><u>43,924,850</u></u>

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

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 1. Material accounting policy information

The accounting policies that are material to the charity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The charity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The following mandatory Accounting Standards and Interpretations are most relevant to the charity:

Basis of preparation

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

Basis of measurement

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

Critical accounting estimates

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

Presentation of statement of financial position on a liquidity basis

The Trustees have taken the view that in complying with the requirements of AASBs, the treatment of refundable accommodation bonds as current liabilities does not reflect the true liquidity of the company as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, the Trustees have chosen to present the statement of financial position under the liquidity presentation method (AASB 101 '*Presentation of Financial Statements*') on the basis that it presents a more reliable and relevant view.

Comparatives

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

Revenue recognition

The charity recognises revenue as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

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

Interest

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

Other revenue

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

Income tax

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

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 1. Material accounting policy information (continued)

Cash and cash equivalents

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

Trade and other receivables

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

Property, plant and equipment

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

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

Buildings	2.5%
Plant and equipment	10%

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

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

Trade and other payables

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Resident bonds

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

Fair value measurement

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

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 1. Material accounting policy information (continued)

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

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Employee benefits provision

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

Note 3. Revenue and other income

	2024	2023
	\$	\$
Commonwealth subsidies	9,029,702	6,086,466
Resident fees	2,437,233	2,074,875
Rental income	106,915	32,400
Other income	318,932	413,214
	<u>11,892,782</u>	<u>8,606,955</u>

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 4. Expenses

	2024	2023
	\$	\$
Surplus before income tax includes the following specific expenses:		
Depreciation - Buildings	308,316	286,469
Depreciation - Plant and equipment	<u>299,828</u>	<u>233,921</u>
	<u>608,144</u>	<u>520,390</u>

Note 5. Cash and cash equivalents

	2024	2023
	\$	\$
Cash on hand	5,051,232	3,924,850
Cash on deposit	<u>21,000,000</u>	<u>40,000,000</u>
	<u><u>26,051,232</u></u>	<u><u>43,924,850</u></u>

Note 6. Trade and other receivables

	2024	2023
	\$	\$
Trade receivables	349,544	292,882
GST receivable	<u>123,399</u>	<u>72,795</u>
	<u><u>472,943</u></u>	<u><u>365,677</u></u>

Note 7. Property, plant and equipment

	2024	2023
	\$	\$
Land - at cost	<u>3,588,280</u>	<u>3,588,280</u>
Buildings - at cost	13,862,129	12,366,690
Less: Accumulated depreciation	<u>(5,165,705)</u>	<u>(4,857,389)</u>
	<u>8,696,424</u>	<u>7,509,301</u>
Plant and equipment - at cost	3,744,833	3,569,748
Less: Accumulated depreciation	<u>(3,244,139)</u>	<u>(2,944,311)</u>
	<u>500,694</u>	<u>625,437</u>
	<u><u>12,785,398</u></u>	<u><u>11,723,018</u></u>

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 7. Property, plant and equipment (continued)

Reconciliations

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

	Land \$	Buildings \$	Plant and equipment \$	Total \$
Balance at 1 July 2023	3,588,280	7,509,301	625,437	11,723,018
Additions	-	1,495,439	175,085	1,670,524
Depreciation expense	-	(308,316)	(299,828)	(608,144)
Balance at 30 June 2024	<u>3,588,280</u>	<u>8,696,424</u>	<u>500,694</u>	<u>12,785,398</u>

Note 8. Trade and other payables

	2024 \$	2023 \$
Trade payables	402,571	261,360
Employee related liabilities	251,522	303,989
Other payables	67,823	133,821
	<u>721,916</u>	<u>699,170</u>

Note 9. Provisions - current

	2024 \$	2023 \$
Annual leave	385,952	549,136
Long service leave	98,718	204,250
	<u>484,670</u>	<u>753,386</u>

Note 10. Refundable resident bonds expected to be paid within 12 months

	2024 \$	2023 \$
Refundable resident bonds - current	<u>1,524,242</u>	<u>2,075,039</u>

A reconciliation of the refundable resident bonds at the beginning and end of the current financial year is set out in note 13.

Note 11. Loans from related parties

	2024 \$	2023 \$
Loan payable to Sister of Our Lady of China (Taiwan)	<u>-</u>	<u>18,281,581</u>

The loan was repaid in full during the year ended 30 June 2024.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 12. Provisions - non current

	2024 \$	2023 \$
Long service leave	<u>39,976</u>	<u>50,033</u>

Note 13. Refundable resident bonds expected to be paid after 12 months

	2024 \$	2023 \$
Refundable resident bonds - non-current	<u>6,682,445</u>	<u>7,090,733</u>

Reconciliation (current and non-current combined)

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

Opening balance	9,165,772	10,829,882
Bonds received	3,021,943	1,964,324
Bonds refunded	<u>(3,981,028)</u>	<u>(3,628,434)</u>
Closing balance	<u>8,206,687</u>	<u>9,165,772</u>

Refundable resident bonds are non-interest bearing.

Note 14. Retained surpluses

	2024 \$	2023 \$
Retained surpluses at the beginning of the financial year	25,330,740	24,769,988
Surplus after income tax expense for the year	<u>2,792,721</u>	<u>560,752</u>
Retained surpluses at the end of the financial year	<u>28,123,461</u>	<u>25,330,740</u>

Note 15. Key management personnel disclosures

Remuneration of key management personnel

	2024 \$	2023 \$
The aggregate amount of compensation paid to key management personnel during the year was:	<u>956,302</u>	<u>807,661</u>

Note 16. Related party transactions

Parent entity

The Sisters of Our Lady of China (Peakhurst Nursing Home) is owned and operated by Trustees of the Sisters of Our Lady of China ABN 92 204 874 602.

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

Loans to/from related parties

Disclosures relating to loans receivable from and payable to related parties are set out in note 11.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Notes to the financial statements
30 June 2024

Note 17. Segment note

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

Note 18. Events after the reporting period

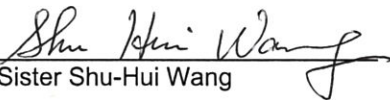
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the charity's operations, the results of those operations, or the charity's state of affairs in future financial years.

The Sisters of Our Lady of China (Peakhurst Nursing Home)
Trustees' declaration
30 June 2024

In the trustees' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW) and associated regulations, and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the charity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- the charity has appropriate and effective internal controls; and
- there are reasonable grounds to believe that the charity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Trustees


Sister Shu-Hui Wang

22 October 2024

Independent auditor's report to the members of The Sisters of Our Lady of China

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of The Sisters of Our Lady of China (the Nursing Home) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Nursing Home's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

What was audited?

We have audited the financial report of the Nursing Home, which comprises

- the statement of financial position as at 30 June 2024,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information, and
- the responsible entities' declaration.

Basis for opinion

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

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

Level 29, 66 Goulburn Street, Sydney NSW 2000
Level 7, 3 Horwood Place, Parramatta NSW 2150
1/28 National Circuit, Forrest ACT 2603

+61 2 8263 4000
+61 2 8263 4000
+61 2 6126 8500

nsw.info@williambuck.com
nsw.info@williambuck.com
act.info@williambuck.com
williambuck.com

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.

Liability limited by a scheme approved under Professional Standards Legislation.



Responsibilities of the responsible entities for the financial report

The Trustees of the Nursing Home are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. The Trustees' responsibility also includes such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

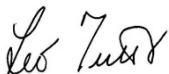
This description forms part of our auditor's report.



William Buck

Accountants & Advisors

ABN: 16 021 300 521



L. E. Tutt

Partner

Sydney, 22 October 2024