

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**

**ABN 81 567 107 023**

**FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2019**

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue from Ordinary Activities</b>			
Residential Aged Care & Home Care Packages			
- Operating Income	2	16,587,378	15,209,485
- Capital purpose income	2	(15,942)	312,091
Income from investments	2	331,947	-
Other income	2	558,396	871,793
<b>Total Revenue</b>		<b>17,461,779</b>	<b>16,393,369</b>
<b>Expenses from Ordinary Activities</b>			
Employee benefits expenses		10,364,341	9,778,036
Brokered Services and Programs	1(p)	1,619,831	1,409,667
Medical Requisites		802,223	511,256
Food Services		579,140	548,437
Environmental & Maintenance		526,938	618,326
Fuel, Light, Power and Water		313,537	308,881
Administration expenses		1,338,479	1,054,424
Financial expenses		129,176	136,016
Depreciation		979,779	1,010,900
<b>Total Expenses</b>		<b>16,653,444</b>	<b>15,375,943</b>
Surplus from ordinary activities		808,335	1,017,426
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for year</b>		<b>808,335</b>	<b>1,017,426</b>

The accompanying notes form part of these accounts.

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	2019	2018
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	4	4,836,080	7,703,281
Trade & Other Receivables	5	222,047	317,659
Financial Assets	6	<u>7,178,735</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>12,236,862</b></u>	<u><b>8,020,940</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	<u>26,127,919</u>	<u>26,785,554</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>26,127,919</b></u>	<u><b>26,785,554</b></u>
<b>TOTAL ASSETS</b>		<u><b>38,364,781</b></u>	<u><b>34,806,494</b></u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	8	1,479,825	1,446,967
Short Term Provisions	9	1,572,593	1,542,507
Other Financial Liabilities	10	18,002,935	15,160,347
Short Term Borrowings	11	<u>243,450</u>	<u>243,450</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>21,298,803</b></u>	<u><b>18,393,271</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Provisions	9	470,560	382,690
Long Term Borrowings	11	<u>3,408,300</u>	<u>3,651,750</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>3,878,860</b></u>	<u><b>4,034,440</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>25,177,663</b></u>	<u><b>22,427,711</b></u>
<b>NET ASSETS</b>		<u><b>13,187,118</b></u>	<u><b>12,378,783</b></u>
<b>EQUITY</b>			
Retained Earnings	12	<u>13,187,118</u>	<u>12,378,783</u>
<b>TOTAL EQUITY</b>		<u><b>13,187,118</b></u>	<u><b>12,378,783</b></u>

The accompanying notes form part of these accounts.

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 2019**

	Note	Retained Earnings \$	Total \$
<b>Balance at 01.07.2017</b>		11,361,357	11,361,357
<b>Comprehensive income</b>			
Profit/(loss) for the year		1,017,426	1,017,426
Other comprehensive income for the year		-	-
<b>Total comprehensive income attributable to members of the entity</b>		1,017,426	1,017,426
<b>Balance at 30.06.2018</b>	12	12,378,783	12,378,783
<b>Balance at 01.07.2018</b>		12,378,783	12,378,783
<b>Comprehensive income</b>			
Profit/(loss) for the year		808,335	808,335
Other comprehensive income for the year		-	-
<b>Total comprehensive income attributable to members of the entity</b>		808,335	808,335
<b>Balance at 30.06.2019</b>	12	13,187,118	13,187,118

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
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**STATEMENT OF CASH FLOWS 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
<b>Receipts</b>			
Government subsidies		11,722,077	10,595,395
Fees for Accommodation & Services		4,678,149	4,559,619
Interest Received		136,287	132,698
Donations and capital grants		62,141	405,436
Other Operating Income		634,217	1,237,890
<b>Payments</b>			
Payments to Employees		(10,246,385)	(9,673,564)
Interest Paid		(129,176)	(139,650)
Payments to Suppliers		(4,992,089)	(4,539,833)
<b>Net cash provided by Operating Activities</b>	14	<b>1,865,221</b>	<b>2,577,991</b>
<b>Cash Flow From Investing Activities:</b>			
Payments for Purchase of Property, Plant & Equipment		(342,086)	(1,914,729)
Proceeds from Sale of Property, Plant & Equipment	2 (a)	4,000	7,091
Net (Payments for)/Proceeds from Financial Assets		(6,993,474)	-
<b>Net cash (used in)/ provided by investing activities</b>		<b>(7,331,560)</b>	<b>( 1,907,638)</b>
<b>Cash Flows from Financing Activities:</b>			
(Redemption)/ Receipt of Accommodation Bonds and RADS		2,842,588	1,798,713
Proceeds from/ (repayment of) Borrowings		(243,450)	( 243,450)
<b>Net cash (used in)/ provided by financing activities</b>		<b>2,599,138</b>	<b>1,555,263</b>
Net increase/ (decrease) in cash held		(2,867,201)	2,225,616
Cash at the beginning of the year		7,703,281	5,477,665
<b>Cash at end of the year</b>	4	<b><u>4,836,080</u></b>	<b><u>7,703,281</u></b>

MULTICULTURAL AGED CARE SERVICES GEELONG INC.  
ABN 81 567 107 023

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019

**Contents**

<b>Note</b>		<b>Page</b>
1	Statement of Accounting Policies	6
2	Revenue	12
3	Auditors remuneration	12
4	Cash & Cash Equivalents	13
5	Other Financial Assets	13
6	Trade & other receivables	13
7	Property, Plant & Equipment	13
8	Trade & other payables	14
9	Provisions	14
10	Other Financial Liabilities	14
11	Borrowings	15
12	Equity	15
13	Responsible Person-Related Disclosures	15
14	Reconciliation of Net Cash Used in Operating Activities to Operating Result	16
15	Capital and Leasing Commitments	16
16	Financial Risk Management	17
	Statement by Members of Board	18
	Auditor's Independence Declaration	19
	Independent Audit Report	20

MULTICULTURAL AGED CARE SERVICES GEELONG INC.  
ABN 81 567 107 023

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

The financial statements cover Multicultural Aged Care Services Geelong Inc. as an individual entity which is an incorporated association domiciled in Australia.

The financial statements were authorised for issue on 27 August 2019 by the board.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Rounding**

All amounts shown in the Financial Statements are expressed to the nearest dollar.

**(b) Receivables**

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. The directors believe that the full amount of debt is recoverable, and no doubtful debt provision has been made at 30 June 2019.

**(c) Inventories**

The value of supplies held at balance date is not considered to be material. The cost of supplies is charged to operating expenses when incurred.

**(d) Property, Plant and Equipment**

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation, amortisation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets, including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives commencing from the time the asset is held ready for use. A summary of the depreciation method and depreciation rates for each class of attached is as follows:

<b>Class of Asset</b>	<b>Depreciation Rate</b>	<b>Method</b>
Property	2%	Prime Cost
Furniture & Fittings	10%-20%	Prime Cost
Plant & Equipment	5%-40%	Prime Cost
Motor Vehicles	20%	Prime Cost

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019

**Note 1 Statement of Accounting Policies (cont)**

**(e) Intangible Asset**

Multicultural Aged Care Services Geelong Inc. currently holds 103 residential bed licences and 60 supported residential bed licences. The value of these licences have not been brought to account in the financial statements as Multicultural Aged Care Services believes there is not an active market for these licences.

**(f) Financial Instruments**

***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when Multicultural Aged Care Services Geelong Inc. becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments 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.

***Classification and subsequent measurement***

**Financial assets and liabilities at amortised cost**

Financial assets and liabilities are measured at amortised cost if both of the following criteria are met:

- the assets are held to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

**Financial assets at fair value through other comprehensive income**

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments will be measured at fair value through other comprehensive income if Multicultural Aged Care Services Geelong Inc. makes an irrevocable election at initial recognition to recognise in this category. This election has not been made.

**Financial assets at fair value through profit or loss**

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.

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.

**(g) Fair value measurement**

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. 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.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019

**Note 1 Statement of Accounting Policies (cont)**

**(h) Derecognition and Impairment**

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 (ie 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
- the entity no longer controls the asset

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 an investment in equity which the entity 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.

***Recognition of expected credit losses in financial statements***

At each reporting date, the movement in the loss allowance of financial assets is recognised as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

***Non-financial assets***

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**(i) Payables**

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Nett 30 days.

**(j) Goods and Services Tax**

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows.

**(k) Cash & Cash Equivalents**

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and investments in money market instruments with less than 120 days to maturity.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019

**Note 1 Statement of Accounting Policies (cont)**

**(l) Finance Costs**

Finance costs are recognised as expenses in the period in which they are incurred, except where they are included in the cost of qualifying assets. Finance costs include:

- Interest on bank overdrafts, short and long term borrowings
- Amortisation of discounts or premiums relating to borrowings
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings
- Finance charges in respect of finance leases recognised in accordance with Australian Accounting Standards AASB 117 Leases

**(m) Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

**(n) Employee Benefits**

***Short-term employee benefits***

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

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

***Other long-term employee benefits***

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits 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 end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any adjustments of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

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

MULTICULTURAL AGED CARE SERVICES GEELONG INC.  
ABN 81 567 107 023

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019

Note 1 Statement of Accounting Policies (cont)

(o) Revenue recognition

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

**Grants**

Grants are recognised as revenue when the company gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

**Resident Fees**

Resident fees are recognised as revenue at the time invoices are raised.

**Donations and Bequests**

Donations for capital purposes are recorded as revenue in the period in which the donation is received.

**Ingoings**

An ingoing is a negotiated fee required to be paid as a condition for being a permanent resident in the supported residential facility. It is recognised in the accounts on a prorata basis until the first 12 months of residency is achieved. After that time no further ingoing is required, nor is the amount paid refundable.

(p) Brokered Services and Programs

Brokered services include Brokered personal care, Nursing care, Gardening and Maintenance. Program costs relate to lifestyle activities and events for our residents and home care consumers.

(q) Comparative Information

Where necessary, the previous year's figures have been reclassified to facilitate comparisons.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report 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 association.

**Key Estimates — Impairment**

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR YEAR ENDED 30 JUNE 2019**

**Note 1 Statement of Accounting Policies (cont)**

**(s) New Accounting Standards for Application in Future Periods**

An assessment of Accounting Standards issued by the AASB that are not yet mandatorily applicable and their potential impact on the association when adopted in future periods is discussed below:

<b>Standard</b>	<b>Statement</b>	<b>Applicability</b>	<b>Impact on entity</b>
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-19 (for not-for-profit entities)	Based on a preliminary assessment performed over each service and customer contract, the application of AASB 15 is not expected to have a material impact.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. The application of AASB 16 is not expected to have a material impact.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable the not-for-profit entity to further its objectives.	1-Jan-19	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 2. REVENUE</b>		
<b>Revenue from Operating Activities</b>		
- Residential Aged Care Income	8,808,684	7,987,553
- Accommodation Payments & Charges	594,863	571,982
- Ingoings	881,921	1,005,111
- Home Care Package Income	5,010,460	4,298,671
- Rental Income	1,162,419	1,201,033
- Interest	129,031	145,135
<b>Sub-total from Operating Activities</b>	<u><b>16,587,378</b></u>	<u><b>15,209,485</b></u>
<b>Revenue from Non-Operating Activities</b>		
<b>Capital Income</b>		
- Capital Grant	-	305,000
- Net Gain/(Loss) on Disposal of Non-Current Asset	(Note 2a) <u>(15,942)</u>	<u>7,091</u>
	<u><b>(15,942)</b></u>	<u><b>312,091</b></u>
<b>Income from Investments</b>		
- Change in fair value of financial assets	147,159	-
- Dividends	131,881	-
- Franking credits	52,907	-
<b>Total Capital Gain on Investment</b>	<u><b>331,947</b></u>	<u><b>-</b></u>
<b>Other Income</b>		
- Cafe Sales	56,622	51,069
- Donations/ Fundraising	62,141	100,436
- Resident Reimbursements	9,789	8,576
- Meals	2,273	1,997
- Miscellaneous	427,571	709,715
<b>Total Other Income</b>	<u><b>558,396</b></u>	<u><b>871,793</b></u>
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>	<u><u><b>17,461,779</b></u></u>	<u><u><b>16,393,369</b></u></u>
<b>Note 2a:</b>		
<b>Proceeds from Disposals of Assets</b>		
Plant & Equipment	4,000	-
Motor Vehicles	-	7,091
<b>Total Proceeds from Disposals of Assets</b>	<u>4,000</u>	<u>7,091</u>
<b>Less: Written-Down Value of Assets Sold</b>		
Plant & Equipment	(19,942)	-
Motor Vehicles	-	-
<b>Total Written Down Value of Assets Sold</b>	<u>(19,942)</u>	<u>-</u>
<b>Net gain/ (loss) on disposal of non-current assets</b>	<u><u><b>(15,942)</b></u></u>	<u><u><b>7,091</b></u></u>
<b>NOTE 3. AUDITOR'S REMUNERATION</b>		
- Auditing of Accounts	10,200	9,700
- Other Services	1,750	2,150
	<u><b>11,950</b></u>	<u><b>11,850</b></u>

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR YEAR ENDED 30 JUNE 2019**

**NOTE 4: CASH & CASH EQUIVALENTS**

For the purpose of the Cash Flow Statement, cash includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to insignificant risk of change in value, net of outstanding overdrafts.

	2019	2018
	\$	\$
- Cash at Bank	393,766	7,702,181
- Term Deposits and Cash held within Managed Investment Portfolio	4,441,214	-
- Cash on Hand	1,100	1,100
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>4,836,080</b>	<b>7,703,281</b>

**NOTE 5: TRADE & OTHER RECEIVABLES**

Current

- Commonwealth Subsidies	-	6,127
- Resident Fees	(5,996)	42,745
- Accrued Income	24,034	31,290
- Prepaid Expenses	157,775	199,987
- Sundry Debtors	46,234	37,510
<b>TOTAL TRADE &amp; OTHER RECEIVABLES</b>	<b>222,047</b>	<b>317,659</b>

**NOTE 6: FINANCIAL ASSETS**

Current

- Financial Assets at amortised cost	2,100,000	-
- Investments designated at fair value through profit and loss	5,078,735	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>7,178,735</b>	<b>-</b>

**NOTE 7: PROPERTY, PLANT & EQUIPMENT**

Land at Cost	250,000	250,000
Building at Cost	30,787,440	30,625,839
Less accumulated depreciation	(5,525,310)	(4,905,896)
	25,262,130	25,719,943
Furniture and Equipment at Cost	1,974,312	1,868,431
Less accumulated depreciation	(1,427,109)	(1,106,802)
	547,203	761,629
Motor Vehicles at Cost	159,479	122,032
Less accumulated depreciation	(90,893)	(68,050)
	68,586	53,982
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>26,127,919</b>	<b>26,785,554</b>

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR YEAR ENDED 30 JUNE 2019**

**NOTE 7: PROPERTY, PLANT & EQUIPMENT (CONT)**

(a) The opening and closing carrying values of property, plant & equipment are reconciled as follows:

	Land \$	Buildings \$	Furniture & Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2017	250,000	24,763,124	790,565	78,036	25,881,725
Additions	-	1,566,811	347,918	-	1,914,729
Disposals	-	-	-	-	-
Depreciation	-	(609,992)	(376,854)	(24,054)	(1,010,900)
<b>Balance as at 30 June 2018</b>	<b>250,000</b>	<b>25,719,943</b>	<b>761,629</b>	<b>53,982</b>	<b>26,785,554</b>
Plus Additions	-	161,601	143,038	37,447	342,086
Less Disposals	-	-	(19,942)	-	(19,942)
Less Depreciation expense	-	(619,414)	(337,522)	(22,843)	(979,779)
<b>Balance as at 30 June 2019</b>	<b>250,000</b>	<b>25,262,130</b>	<b>547,203</b>	<b>68,586</b>	<b>26,127,919</b>

	2019 \$	2018 \$
<b>NOTE 8: TRADE &amp; OTHER PAYABLES</b>		
<b>CURRENT</b>		
- Creditors	542,963	411,996
- Prepaid Income	797,865	910,854
- Accrued expenses	181,079	161,831
- Net GST payable/ (receivable)	(42,082)	(37,714)
<b>TOTAL TRADE &amp; OTHER PAYABLES</b>	<b><u>1,479,825</u></b>	<b><u>1,446,967</u></b>

**NOTE 9: PROVISIONS**

CURRENT (refer Note 1 (n))

Long Service Leave	814,887	767,886
Accrued Wages and Salaries	189,160	170,473
Annual Leave		
-Expected to be settled after 12 months	-	-
-Expected to be settled within one year	568,546	604,148
<b>TOTAL</b>	<b><u>1,572,593</u></b>	<b><u>1,542,507</u></b>

NON-CURRENT (refer Note 1 (n))

Long Service Leave	470,560	382,690
<b>TOTAL PROVISIONS</b>	<b><u>2,043,153</u></b>	<b><u>1,925,197</u></b>

**NOTE 10: OTHER FINANCIAL LIABILITIES**

CURRENT

Refundable Accommodation Deposits/ Accommodation Bonds	<b><u>18,002,935</u></b>	<b><u>15,160,347</u></b>
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*Refundable Accommodation Deposits or Accommodation Bonds received from residents are refundable in accordance with The Aged Care Act 1997.*

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 11: BORROWINGS</b>		
<b>CURRENT</b>		
Secured		
- Zero Real Interest Loan (a)	243,450	243,450
<b>Sub-total</b>	243,450	243,450
<b>NON-CURRENT</b>		
Secured		
- Zero Real Interest Loan (a)	3,408,300	3,651,750
<b>Sub-total</b>	3,408,300	3,651,750
<b>TOTAL BORROWINGS</b>	<b>3,651,750</b>	<b>3,895,200</b>

(a) A Zero Real Interest Loan (ZRIL) agreement was entered into with the Commonwealth in 2012 to assist with the construction of 30 Residential Aged Care beds. The facility has a term of 22 years which will expire in 2034. The facility incurs an interest rate based upon the Consumer Price Index and is revised on a quarterly basis.

**NOTE 12: EQUITY**

**(a) Retained Earnings**

Opening retained earnings carried forward	12,378,783	11,361,357
Net profit from operating activities	808,335	1,017,426
<b>Retained Earnings as at reporting date</b>	<b>13,187,118</b>	<b>12,378,783</b>

**NOTE 13: RESPONSIBLE PERSON-RELATED DISCLOSURES**

**a) Responsible Persons**

The names of Board members who have held office during the financial year are:

T Aberline  
G Costa  
G De Stefano  
S Fatouros  
R Holzer  
G Kovacs  
G Perry  
Z McCubbery  
S Li - (resigned 25/01/2019)

**Accountable Officer**

J Leggo

	2019	2018
	\$	\$
<b>b) Key Management Personnel</b>		
Short-term benefits	215,706	203,452
Post-employment benefits	20,492	19,328
	<b>236,198</b>	<b>222,780</b>

c) The Board members are not remunerated for their services to Multicultural Aged Care Services Geelong Inc.



**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 14: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT</b>		
Operating result	808,335	1,017,426
<b>Non Cash Movements</b>		
Net Loss/(Gain) from sale of Plant & Equipment	15,942	(7,091)
Depreciation	979,779	1,010,900
Bond Retention Charge	-	(5,240)
Net Unrealised Loss/(Gain) on Financial Assets	(185,261)	-
<b>Movements in Assets &amp; Liabilities</b>		
(Increase)/ decrease in receivables	53,400	550,001
(Increase)/ decrease in prepaid expenses	42,212	(61,706)
Increase/ (decrease) in provisions	117,956	104,472
Increase/ (decrease) in payables	32,858	(30,771)
<b>Net Cash Provided by Operating Activities</b>	<u><u>1,865,221</u></u>	<u><u>2,577,991</u></u>

**NOTE 15: CAPITAL & LEASING COMMITMENTS**

**a) Operating Lease**

Payable - minimum lease payments

Not later than one year

Between 1 and 5 years

**TOTAL LEASE LIABILITY**

	18,732	18,732
	-	18,732
	<u>18,732</u>	<u>37,464</u>

**b) Capital Commitments**

Not later than one year

Between 1 and 5 years

	380,000	-
	-	-
	<u>380,000</u>	<u>-</u>

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.**  
**ABN 81 567 107 023**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR YEAR ENDED 30 JUNE 2019**

**NOTE 16: FINANCIAL RISK MANAGEMENT**

Multicultural Aged Care Services Geelong Inc.'s financial instruments consist primarily of cash at bank, money market instruments, managed investment portfolio, accounts receivable and payable, resident accommodation deposits and a Zero Real Interest Loan provided by the Commonwealth Government.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 : Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
Financial assets at fair value through profit or loss:			
Investments in Equity Instruments	6	5,078,735	-
Financial assets at amortised cost:			
Cash and cash equivalents	4	4,836,080	7,703,281
Trade and other receivables	5	222,047	317,659
Fixed interest securities	6	2,100,000	-
		7,158,127	8,020,940
<b>Total Financial Assets</b>		<b>12,236,862</b>	<b>8,020,940</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables (excl GST)	8	1,521,907	1,484,681
Other financial liabilities	10	18,002,935	15,160,347
Borrowings	11	3,651,750	3,895,200
<b>Total Financial Liabilities</b>		<b>23,176,592</b>	<b>20,540,228</b>
<b>Fair Value Measurements</b>			
Multicultural Aged Care Services Geelong Inc. measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:			
- financial assets at fair value through profit or loss			
Investments in Equity Instruments		5,078,735	-

A valuation technique is selected that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

For investments in equities, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

## STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that this financial report is prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).

In the opinion of the Board the financial report as set out on pages 1 to 17:

- 1 Presents a true and fair view of the financial position of Multicultural Aged Care Services Geelong Inc. as at 30 June 2019 and its performance for the year ended on that date.
- 2 The financial statements and notes comply with the requirements of the Australian Charities and Not-for profits Act 2012
- 3 At the date of this statement, there are reasonable grounds to believe that Multicultural Aged Care Services Geelong Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board made pursuant with subsection 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulations 2013 and is signed for and on behalf of the Board by:



Chair

G Perry

Dated this 27th day of August, 2019

**MULTICULTURAL AGED CARE SERVICES GEELONG INC.****A.B.N. 81 567 107 023****AUDITORS INDEPENDENCE DECLARATION UNDER 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE MANAGEMENT COMMITTEE OF MULTICULTURAL AGED CARE SERVICES GEELONG INC.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

- I. No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- II. No contraventions of any applicable code of professional conduct in relation to the audit.

**Stephen Kirtley**

Director

Dated this 26<sup>th</sup> day of September, 2019

Davidsons Assurance Services Pty Ltd  
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Newtown, Geelong, 3220

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Stephen Wight CA  
Stephen Kirtley CA

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MULTICULTURAL AGED CARE SERVICES GEELONG INC**

**Opinion**

We have audited the financial report of Multicultural Aged Care Services Geelong Inc (the association), which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the 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.

**Other Information**

Those charged with governance are responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

**/ GEELONG**

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**/ DIRECTORS**

Stephen Wight CA  
Stephen Kirtley CA

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## **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation of the financial report in accordance with the ACNC Act 2012, and for such internal control as management determines 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, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association'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 the 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: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Stephen Kirtley  
*Director*

Dated this 26<sup>th</sup> day of September, 2019

*Davidsons Assurance Services Pty Ltd  
101 West Fyans Street  
Geelong, Victoria 3220*