

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

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DIRECTORS' REPORT – 30 JUNE 2024

The Directors of the trustee of Buckland Convalescent Hospital ("The Trust") present the following report for the year ended 30 June 2024.

Directors

The following persons were Directors of the Trustee during the whole of the financial year and up to the date of this report (unless otherwise stated).

Trevor I. Cork
Angelo Karayiannis
Edward J. Withers
Kerry J. Bartlett
Graham C. Collins
Kathryn Pereira
Elizabeth Roberts (from November 2023)

Information on Directors

Trevor I. Cork

Qualifications
Experience

Director/Chairman
BA, LLB, LLM
Chairman from 2004 to 2006 and since 2009.
Director since 1989

Meetings

Attended 10 out of 11 Directors' meetings.

Angelo Karayiannis

Qualifications
Experience
Meetings

Director
B. Pharm., MPS, JP
Director since 2004.
Attended 11 out of 11 Directors' meetings.

Edward J. Withers

Qualifications
Experience
Meetings

Director
Commerce (Accounting Procedures) Certificate
Chairman from 2007 to 2009, Director since 2006
Attended 10 out of 11 Directors' meetings.

Kerry J. Bartlett

Qualifications
Experience
Meetings

Director
M.Ec., Dip. Ed
Director since 17 August 2015
Attended 10 out of 11 Directors' meetings.

Graham C. Collins

Qualifications
Experience
Meetings

Director
B. Business (Accounting), FCPA
Director since 18 April 2016
Attended 10 out of 11 Directors' meetings.

Kathryn Pereira

Qualifications
Experience
Meetings

Director
Dip Teach, Grad Dip Ed Studies, MEd
Director since 21 February 2022
Attended 10 out of 11 Directors' meetings

Elizabeth Roberts

Qualifications
Experience
Meetings

Director
Registered Nurse, BHSc, MBus
Director Since 20 November 2023
Attended 6 out of 6 Directors meetings

Information on Company Secretary

Johannes Brockhaus

Qualifications
Experience

Company Secretary
Registered Nurse, MNursSc
16 years in aged care management

Long term Objectives of the Trust

Buckland's longer-term objective is to remain a leader in the provision of care to the aged. It aims to achieve this by continuing to provide respectful and dignified care and services that acknowledges the value of each individual. Buckland also aims to provide modern, high-quality facilities for all of Buckland's residents.

Short term Objectives of the Trust

In the short term the Trust intends

- To continuously focus on containing costs to ensure they do not rise at an unsustainable rate.
- To enhance the facilities and services provided to residents.
- To build stronger financial reserves given the uncertainties surrounding the introduction of new government policies on 1 July 2025 (new Aged Care Act).

Strategies for achieving objectives

To achieve these objectives the Trust intends to:

- Continue its program of refurbishment of the Buckland Nursing Home and self-care housing stock as turnover occurs.
- Continue to identify opportunities for cost savings and the building of reserves without impacting on care and service levels.

Principal Activities

The principal activities of the Trust during the year were the administration of the Buckland Residential Aged Care facility, Buckland Retirement Villages and Homecare services on Hawkesbury Road Springwood.

No significant change occurred in the nature of the activity during the year.

Operating Results

The net operating surplus of the Trust for the financial year was \$72,437, a notable contrast to the unfavourable operating deficit of (\$1,433,895) recorded in 2023. The surplus was primarily driven by an increase in revenue from care subsidies. This is attributable to a favourable increase in occupancy levels, including an additional 5 beds, after the completion of the refurbishment of the Donald Coburn Wing. Costs continued to remain high due to ongoing reliance on agency staff and other expenses attributed to the Covid-19 operating environment. The Trust invested significantly in safeguarding both residents and staff from potential infection, resulting in increased operational costs.

Performance Measurement

Buckland's principal measures of performance relate to compliance with statutory requirements, maintenance of its reputation in the local community, and continued "financial health" of the organisation. All statutory requirements were met during the year. The residential aged care occupancy rate of 97.4% attests to the high reputation Buckland continues to enjoy in the community. The financial result for the year was an expected outcome. This was due to the steady uptake of beds since the completion of the refurbishment of the Donald Coburn Wing, which was completed in mid-July 2023. This refurbishment has increased the quality of the accommodation available to residents and will support continued financial health of the organisation.

Dividends

The Trust is a not-for-profit organisation and is prevented by its constitution from paying a dividend.

Environmental Issues

The Trust's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a state or territory.

Corporate Governance Statement

The Board of Directors of The Buckland Convalescent Hospital has overall responsibility for the corporate governance of The Trust. The Board delegates day-to-day responsibility to the Chief Executive and other senior officers in the management team.

The Board has developed a number of key corporate governance policies to provide guidance for the organisation and to ensure a high level of accountability. These policies are reviewed on a regular basis.

A Board Charter has been adopted to assist consistency with Board policies, objectives and governance standards.

The Board has also adopted a comprehensive Code of Conduct that is consistent with best practice and undertakes an annual self-assessment of Board performance.

Indemnification of Officers or Auditors

During the financial year, the Trust has paid premiums for insurance policies for the benefit of each of its directors against liabilities, costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity as officers of the Trust, other than conduct involving a willful breach of duty in relation to the Trust. In accordance with common commercial practice, the insurance policies prohibit disclosure of the nature and amount of the premiums. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Trust.

Auditor's Independence Declaration


A copy of the auditor's independence declaration as required under the Code of Ethics for Professional Accountants is set out on page 5.

Signed in accordance with a resolution of the Board of Directors, pursuant to *Australian Charities and Not-for-profits Commission (ACNC) Act 2012 (ACNC Act)*:

Signed by:

033905DEBDCC478...
Trevor I. Cork,

Director/Chairman

DocuSigned by:

2F5EF3EC00BC401...
Graham I. Collins,

Director

Springwood, 21st of October 2024

AUDITORS' INDEPENDENCE DECLARATION

THE BUCKLAND CONVALESCENT HOSPITAL ABN 82 517 110 268 AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF THE BUCKLAND CONVALESCENT HOSPITAL

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

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 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.

MARTIN & LUSCOMBE
Chartered Accountants



Donald Luscombe AFSM FCA, Partner

Suite Z2 Winmalee Village
14-28 White Cross Road
Winmalee NSW 2777

Dated: 15 October 2024



**Chartered
Accountants**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Revenue	2	25,452,723	18,019,651
Employee benefits expense		(17,965,872)	(13,249,453)
Properties expense		(410,514)	(388,654)
Depreciation and amortisation expense		(1,881,706)	(1,698,017)
Finance Costs		(97,936)	(92,375)
Other expenses		(5,024,258)	(4,025,047)
Increase in fair value of investment property		-	-
Surplus/(deficit)		72,437	(1,433,895)
Net Surplus/(Deficit) for the year		72,437	(1,433,895)
Other Comprehensive income:			
Net increase in property valuation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		72,437	(1,433,895)

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2024**

	Note	2024 \$	2023 \$
Assets			
Current Assets			
Cash and cash equivalents	6	1,105,231	1,653,590
Trade and other receivables	7	950,847	546,506
Prepayments		628,818	448,486
Other financial assets	8	34,380,000	22,800,000
Total Current Assets		<u>37,064,896</u>	<u>25,448,582</u>
Non-Current Assets			
Property, plant and equipment	9	58,382,757	57,845,928
Investment property	10	61,717,541	61,615,820
Total property, plant & equipment		<u>120,100,298</u>	<u>119,461,748</u>
Intangible Assets	11	64,524	56,307
Total Non-Current Assets		<u>120,164,822</u>	<u>119,518,055</u>
Total Assets		<u>157,229,718</u>	<u>144,966,637</u>
Liabilities			
Current Liabilities			
Trade and other payables	12	3,451,878	2,083,430
Other liabilities	13	129,450	37,041
Provisions	14	429,257	387,088
Borrowings	15	93,886,522	83,170,273
Total Current Liabilities		<u>97,897,107</u>	<u>85,677,832</u>
Non-Current Liabilities			
Provisions	14	136,160	164,791
Total Non-Current Liabilities		<u>136,160</u>	<u>164,791</u>
Total Liabilities		<u>98,033,267</u>	<u>85,842,623</u>
Net Assets		<u>59,196,451</u>	<u>59,124,014</u>
Equity			
Founder's contribution	16	999,164	999,164
Asset revaluation reserve	20	30,913,256	30,913,256
Retained surplus		27,284,031	27,211,594
Total Equity		<u>59,196,451</u>	<u>59,124,014</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2024**

	Founder's Contribution	Asset Revaluation Reserve	Retained Surplus	Total Equity
	\$	\$	\$	\$
Balance as at 1 July 2022	999,164	30,913,256	28,645,489	60,557,909
Net surplus for the year	-	-	(1,433,895)	(1,433,895)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(1,433,895)	(1,433,895)
Balance as at 30 June 2023	999,164	30,913,256	27,211,594	59,124,014
Net surplus/(deficit) for the year	-	-	72,437	72,437
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	72,437	72,437
Balance as at 30 June 2024	999,164	30,913,256	27,284,031	59,196,451

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Cash Flows from Operating Activities			
Receipts from customers		7,513,502	5,507,029
Receipts from government		14,890,705	10,418,902
Payments to suppliers and employees		(22,229,724)	(17,306,600)
Finance costs		(97,936)	(92,375)
Interest received		1,194,329	508,574
Net cash provided/(used) by operating activities	19	<u>1,270,876</u>	<u>(964,470)</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant & equipment		-	-
Payments for property, plant & equipment		(2,533,854)	(6,937,015)
Proceeds from sale of investments		750,000	13,940,905
Purchase of investments		(12,330,000)	(13,100,000)
Net cash provided/(used) in investing activities		<u>(14,113,854)</u>	<u>(6,096,110)</u>
Cash Flows from Financing Activities			
Net proceeds from borrowings		12,294,619	7,042,713
Net cash provided by/(used) in financing activities		<u>12,294,619</u>	<u>7,042,713</u>
Net increase/(decrease) in cash		(548,359)	(17,868)
Opening cash and cash equivalents		1,653,590	1,671,458
Closing cash and cash equivalents	6	<u>1,105,231</u>	<u>1,653,590</u>

The accompanying notes form part of these financial statements.

THE BUCKLAND CONVALESCENT HOSPITAL
ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The financial report covers The Buckland Convalescent Hospital as an individual entity. The Buckland Convalescent Hospital is a not-for-profit Trust for financial reporting purposes under Australian Accounting Standards, incorporated and domiciled in Australia.

The functional and presentation currency of The Buckland Convalescent Hospital is Australian dollars.

The financial statements were authorised for issue on 21 October 2024 by the Directors of the company.

(b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* (ACNC Act).

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities* has had no significant impact on the financial statements because the company's previous financial statements complied with *Australian Accounting Standards – Reduced Disclosure Requirements*.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. 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 to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Government Funding

The Trust's residential aged care activity is supported by subsidies and supplements received from the Commonwealth Government. Funding received on the condition that specified services are delivered, or conditions

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

fulfilled, is considered reciprocal. Such funding is initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

Fees from Residents

Fees charged for care and accommodation provided to residential aged care residents and maintenance charges to the residents in the retirement village (independent living units for seniors) are recognised when the services are provided.

Retention of resident ingoing contributions

The Trust is also entitled to retain part of the ingoing contributions from some residents (who entered the facility prior to 1 July 2014) in the residential aged care facility and in independent living units as a condition on admission. These are calculated on monthly and annual basis respectively and recognised as revenue in that timeframe.

Accommodation payments

Changes to the Aged Care Legislation which came into effect on 1 July 2014, gave residents a choice of paying for their accommodation through a fully refundable accommodation deposit, a daily accommodation payment, or a combination of both. Where residents choose to pay a daily accommodation payment, the fees are recognised when the services are provided. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Donations and bequests are recognised as revenue when received.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(e) Property, plant and equipment

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

Property

Freehold land and buildings are shown at cost or fair value less subsequent depreciation for buildings. The operating freehold land and buildings were independently valued at 30 June 2021 by Nelson Partners Australia Pty Ltd. In periods when the operating freehold land are not subjected to an independent valuation, the Directors conduct directors' valuation to ensure the carrying amount for land is not materially different to the fair value.

Any balances of accumulated depreciation at the revaluation date are credited to the asset accounts to which they related. The net asset accounts are then increased or decreased by the revaluation increments or decrements. Revaluation increments/decrements are credited/debited directly to asset revaluation reserve and recognised in the net result for the year.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the 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 that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are expensed as they occur.

Depreciation

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

The depreciable amount of buildings, refurbishment and capitalised lease assets is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciable amount of all other assets is depreciated on a diminishing value basis.

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

Class of fixed asset	Depreciation rate
Buildings	2.0%
Plant and Equipment	15.0%
Refurbishment	20.0%
Motor vehicles	22.5%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, each year.

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 disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. Any revaluation surplus reserve relating to revalued assets sold are transferred directly to retained surplus.

(f) Investment property

The Retirement Village is an investment property held to earn revenue and capital appreciation over the long term.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. The investment properties were independently valued at 30 June 2021 by Nelson Partners Australia Pty Ltd. In periods when the operating freehold land are not subjected to an independent valuation, the Directors conduct directors' valuation to ensure the carrying amount for land is not materially different to fair value.

Revaluation increments/decrements are recognised in the surplus/deficit for the year.

(g) Intangible Assets

The Trust recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured on the cost basis less amortisation.

Intangible assets are amortised on a straight line basis over a period of 5 years.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, each year.

(h) Financial instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted) and includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Classification and subsequent measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

THE BUCKLAND CONVALESCENT HOSPITAL
ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are measured at amortised cost, comprising original debt less principal payments and amortisation.

(iii) Residents' loans

Accommodation bonds and refundable accommodation deposits – residential aged care

Changes to the Aged Care Legislation which came into effect on 1 July 2014, gave residents a choice of paying for their accommodation through a fully refundable accommodation deposit, a daily accommodation payment, or a combination of both. Some residents who entered the residential aged care facility prior to 1 July 2014, paid an accommodation bond which the Trust is entitled to retain a part of depending on how long the resident remains in the residential aged care facility. The maximum amount that can be retained from these pre 1 July 2014 bonds is \$3,972 per annum (2019: \$3,972) calculated on a monthly basis. Any amounts owed were fully drawn down as at 30 June 2019.

Since the accommodation bonds include a demand feature when the resident leaves the facility, they are disclosed as current liabilities. However, the Trust estimates that only \$12,559,523 or 30.18% (2023: \$10,020,342, 28.3%) of the total bond liabilities are refundable to residents in the forthcoming financial year based on average departures over the past three years. The balance refundable for those residents who are anticipated to remain in occupancy for greater than 12 months from 30 June 2024 is \$29,056,897 (2023: \$25,443,227).

In the normal course of events, accommodation bonds liabilities repaid on a resident's departure are subsequently replaced by another accommodation bond from a new resident on the waiting list. In addition, the Board of Directors assess the Trust's compliance with its liquidity management strategy to ensure cashflow adequacy.

Entry contributions – self-care or independent living units

On admission to a self-care facility, residents pay a loan or entry contribution. For these residents the Trust is entitled to retain part of the loan. The maximum amount as at 30 June 2024 that can be retained over a maximum of six years is 30% of the original entry contribution.

Since the entry contributions are generally refundable to residents in a relatively short period of time when the resident leaves the village, they are disclosed as current liabilities. However, the Trust estimates that \$3,825,809 or 7.3% (2023: \$2,811,555, 5.9%) of the total entry contributions are refundable to residents in the forthcoming financial year based on average departures over the past three years. The balance refundable for those residents who are anticipated to remain in occupancy for greater than 12 months from 30 June 2024 is \$48,444,293 (2023: \$44,895,149).

In the normal course of events, ingoing loan liabilities repaid on a resident's departure are subsequently replaced by another ingoing loan from a new resident on the waiting list. In addition, the Board of Directors assess the Trust's compliance with its liquidity management strategy to ensure cashflow adequacy.

Impairment

At the end of each reporting year, the company assesses whether there is objective evidence that a financial instrument has been impaired.

(i) Impairment of non-financial assets

At each reporting date, the Trust reviews the carrying values of its 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. Any excess of the asset's carrying value over the recoverable amount is expensed to the statement of comprehensive income.

When the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity, would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

THE BUCKLAND CONVALESCENT HOSPITAL
ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

(j) Employee benefits

Provision is made for the Trust's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call, and with banks other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and at call deposits with banks or financial institutions.

(l) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from the Commonwealth Government and residents for care services and accommodation provided to residents in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(o) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(p) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. Due to increased disclosure required by the Aged Care Financial Report, some comparative figures in the Statement of Cash Flows and Cash Flow Reconciliation have been adjusted to conform with these changes.

(q) Accounts payable and other payables

Accounts payable 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.

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

(r) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements 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 from within the entity.

Key estimates:

There are no key estimates.

Key judgements:

There are no key judgements.

(s) Segment Reporting

As the entity is involved in providing independent living facilities in addition to residential aged care and Homecare services, AASB 8 Segment Reporting is included. Segment revenues are those directly attributable to the segments including interest income. Expenses, where identified, are directly applied to the segment. Where shared segment expenses apply, those expenses are allocated on a reasonable basis of apportionment. Segment assets include both current and non-current assets directly related to the segment and consist primarily of property, plant and equipment. Assets used jointly by reportable segments are allocated on a proportional basis of directly attributable assets and liabilities. Segment liabilities include both current and non-current liabilities and consist primarily of resident ingoing entry contributions (independent living) and accommodation bonds/refundable accommodation deposits (residential aged care). Liabilities for which reportable segments are jointly liable are allocated on a proportional basis of directly attributable assets and liabilities. Residential aged care employee benefits are directly applied to the segment. Other employee benefits have been reallocated on a reasonable basis of apportionment.

(t) Economic dependence

The Buckland Convalescent Hospital is dependent on the Commonwealth Government for a large portion of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Commonwealth Government will not continue to support Buckland Aged Care Services.

THE BUCKLAND CONVALESCENT HOSPITAL
 ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 2: REVENUE AND OTHER INCOME

	2024	2023
	\$	\$
Operating activities		
Government funding	14,296,374	10,223,048
Government Support-Covid 19	517,228	205,483
Fees from residents	4,906,051	4,144,832
Accommodation charges	1,293,298	894,225
Fees from Homecare Services	1,327,694	431,543
Retention income – investment properties	1,578,371	1,391,849
Retention of residents ingoing contributions	-	-
Interest received on investments	1,425,412	627,337
Interest received on late bonds	24,173	18,639
Donations received	1,675	4323
Sundry income	82,447	78,372
	<u>25,452,723</u>	<u>18,019,651</u>
Other income		
Gain/(loss) on disposal of non-current assets	-	-
Total income and revenue	<u>25,452,723</u>	<u>18,019,651</u>

NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES

Surplus before income tax has been determined after:

Expenses

Depreciation of non-current assets - property, plant and equipment	1,864,683	1,682,936
Amortisation of software	17,023	15,081
Finance costs	97,936	92,375
Insurance costs	1,307,050	712,595

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

2024

Total Compensation	Short-term employee benefits	Post-employment benefits	Other long- term benefits	Termination benefits	Total
	\$	\$	\$	\$	\$
	720,376	74,816	-	-	795,192

2023

Total Compensation	Short-term employee benefits	Post-employment benefits	Other long- term benefits	Termination benefits	Total
	\$	\$	\$	\$	\$
	629,106	61,420	-	-	690,526

THE BUCKLAND CONVALESCENT HOSPITAL
 ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 5: AUDITORS' REMUNERATION

	2024	2023
Remuneration of the auditor for:	\$	\$
Auditing or reviewing the financial report	49,500	49,000
Other services	0	0
	<u>49,500</u>	<u>49,000</u>

NOTE 6: CASH ASSETS

Cash and cash equivalents

Current

Cash at bank	1,104,446	1,652,805
Cash on hand	785	785
	<u>1,105,231</u>	<u>1,653,590</u>

Included in cash at bank are funds from annual fetes. The monies raised over the years have been directed to purchase extra-ordinary items of care and comfort for residents in the residential aged care facility and will continue to be used in this manner. The amount in this account at balance date was \$223,505 (2023:\$223,390).

Reconciliation of cash

Cash at the end of financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank	1,104,446	1,652,805
Cash on hand	785	785
	<u>1,105,231</u>	<u>1,653,590</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

Trade receivables	190,240	121,095
Interest receivable	415,708	160,452
Sundry debtors	102,087	57,050
GST clearing	242,812	207,909
	<u>950,847</u>	<u>546,506</u>

All of the Company's receivables are within current terms and there has been no provision for impairment created for any of the receivables during the period.

NOTE 8: OTHER FINANCIAL ASSETS

Current

Interest bearing deposits	34,380,000	22,800,000
	<u>34,380,000</u>	<u>22,800,000</u>

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	2024 \$	2023 \$
Non-Current		
Freehold land at cost/valuation	8,640,000	8,640,000
Buildings at cost/valuation	47,145,283	46,051,718
Less accumulated depreciation	(1,971,367)	(1,116,354)
	<u>45,173,916</u>	<u>44,935,364</u>
Refurbishment at cost	5,178,447	4,337,769
Less accumulated depreciation	(3,456,780)	(2,926,169)
	<u>1,721,667</u>	<u>1,411,600</u>
Plant and Equipment at cost	9,015,093	8,665,085
Less accumulated depreciation	(6,264,617)	(5,858,436)
	<u>2,750,476</u>	<u>2,806,649</u>
Motor vehicles at cost	477,174	405,596
Less accumulated depreciation	(380,476)	(353,281)
	<u>96,698</u>	<u>52,315</u>
Total property, plant and equipment	<u><u>58,382,757</u></u>	<u><u>57,845,928</u></u>

(a) Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Balance at beginning of the year \$	Net revaluation increment \$	Additions \$	Disposals \$	Depreciation \$	Carrying amount at end of year \$
Freehold land at cost/valuation	8,640,000	-	-	-	-	8,640,000
Buildings at cost/valuation	44,935,364	-	1,093,565	-	(855,013)	45,173,916
Refurbishment at cost	1,411,600	-	840,679	-	(530,612)	1,721,667
Plant & Equipment at cost	2,806,649	-	401,072	(5,381)	(451,864)	2,750,476
Motor vehicles at cost	52,315	-	71,577	-	(27,194)	96,698
	<u>57,845,928</u>	-	<u>2,406,893</u>	<u>(5,381)</u>	<u>(1,864,683)</u>	<u>58,382,757</u>

Asset revaluation

The operating freehold lands and buildings were independently valued at 30 June 2021 by Nelson Partners Australia Pty Ltd. The valuation was based on the general real estate values and residential aged care approval of \$60,000 per place for land and \$243,472 for buildings. The adopted assumptions in determining the valuation included the size and location for residential aged care. The valuation resulted in a revaluation increment of \$4.49 million being recognised in the asset revaluation reserve at 30 June 2021.

NOTE 10: INVESTMENT PROPERTIES

Non-current		
Land at cost/valuation	12,400,000	12,400,000
Buildings at cost/valuation	49,317,541	49,215,820
	<u>61,717,541</u>	<u>61,615,820</u>

THE BUCKLAND CONVALESCENT HOSPITAL
ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

(a) Movement in carrying amounts

Movement in the carrying amounts for each class of investment property between the beginning and the end of the current financial year.

	Balance at beginning of the year	Transfer development costs	Additions	Disposals	Depreciation	Carrying amount at end of year
	\$	\$	\$	\$	\$	\$
Land at cost/valuation	12,400,000			-	-	12,400,000
Buildings at cost/valuation	49,215,820		101,721	-	-	49,317,541
	<u>61,615,820</u>	<u>-</u>	<u>101,722</u>	<u>-</u>	<u>-</u>	<u>61,717,541</u>

The operating freehold land and buildings were independently valued at 30 June 2021 by Nelson Partners Australia Pty Ltd. The valuation was based on the general real estate values at \$75,000 per site for land and \$293,431 for buildings for each unit in the self care village. The adopted assumptions in determining the valuation included the size and location for independent living. The valuation resulted in a revaluation of \$6.58 million being recognised in the net surplus for the year at 30 June 2021.

NOTE 11: INTANGIBLE ASSETS

	Software
	\$
At 1 July 2023	
Net carrying amount at start of year	45,443
Additions	25,945
Amortisation	(15,081)
Net carrying amount	<u>56,307</u>

Reconciliation

A reconciliation of the carrying amounts of each class of intangible assets at the beginning and end of the current reporting period is set out below:

	Software
	\$
Year ended 30 June 2024	
Net carrying amount at start of year	56,307
Additions	25,240
Disposals	-
Amortisation	(17,023)
Net carrying amount at end of year	<u>64,524</u>

NOTE 12: TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Current		
Trade creditors and accruals	2,103,050	1,038,148
Employee annual leave	1,247,287	951,064
Payroll and group tax liabilities	101,541	94,218
	<u>3,451,878</u>	<u>2,083,430</u>

NOTE 13: OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Fees in advance	80,723	-
Residents funds	48,727	37,041
	<u>129,450</u>	<u>37,041</u>

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 14: PROVISIONS

	2024	2023
	\$	\$
Employee benefits		
Opening balance at 1 July	551,879	458,948
Additional provision raised during the year	111,014	151,782
Amount used	(97,476)	(58,851)
Balance at 30 June	<u>565,417</u>	<u>551,879</u>
Analysis of provisions		
Current	429,257	387,088
Non-current	136,160	164,791
	<u>565,417</u>	<u>551,879</u>

Provision for employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 15: BORROWINGS

Current	Note		
Residents' loans			
- accommodation bonds	1	826,760	826,760
- refundable accommodation deposits (i)	1	40,789,660	34,636,809
- entry contributions	1	52,270,102	47,706,704
Total non-interest bearing borrowings		<u>93,886,522</u>	<u>83,170,273</u>

(i) Changes to the Aged Care Legislation which came into effect on 1 July 2014, gave residents a choice of paying for their accommodation through a fully refundable accommodation deposit, a daily accommodation payment, or a combination of both.

During the year, all accommodation bonds and refundable accommodation deposits that become payable were refunded in accordance with Section 52P-1 of the *Aged Care Act, 1997* and all entry contributions that became payable were refunded, when due, in accordance with each formal agreement.

NOTE 16: SETTLEMENT CAPITAL

Founder's contribution	<u>999,164</u>	<u>999,164</u>
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NOTE 17: SEGMENT INFORMATION

The company is an approved provider of residential aged care and Homecare services under the *Aged Care Act 1997* and it also provides independent living units or self care within the *Retirement Villages Act 1999* (NSW).

THE BUCKLAND CONVALESCENT HOSPITAL
 ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

	Continuing Operations				Continuing Operations			
	2024 Total	Residential Aged Care Segment	Self Care Segment	Home care Segment	2023 Total	Residential Aged Care Segment	Self Care Segment	Home care Segment
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June Revenue								
Service delivery income-Govt subsidies & supplements	14,813,602	14,813,602	-		10,428,531	10,428,531	-	-
Service delivery income-non Government	7,777,720	5,326,917	2,450,803		6,430,906	4,246,648	2,184,258	-
Interest revenue	1,449,584	1,425,411	24,173		645,976	627,337	18,639	-
Other revenue from external customers	1,411,817	43,747	6,713	1,361,357	514,238	39,862	7,156	467,220
Total segment revenue	25,452,723	21,609,677	2,481,689	1,361,357	18,019,651	15,342,378	2,210,053	467,220
Total consolidated revenue	25,452,723				18,019,651			
Employee expense	17,965,872	16,126,919	1,181,764	657,189	13,249,453	11,877,025	1,040,170	332,258
Other expenses (excluding finance costs)	7,316,478	5,444,741	1,242,142	629,595	6,111,718	4,898,470	1,024,123	189,125
Total segment expense	25,282,350	21,571,660	2,423,906	1,286,784	19,361,171	16,775,495	2,064,293	521,383
Total consolidated expense	25,282,350				19,361,171			

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2023: Nil).

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Notes to and forming part of the financial statements for the year ended 30 June 2024

	Continuing Operations				Continuing Operations			
	Residential				Residential			
2024 Total	Aged Care Segment	Self Care Segment	Home Care Segment	2023 Total	Aged Care Segment	Self Care Segment	Home Care Segment	
\$	\$		\$	\$	\$		\$	
Segment result								
Segment result before finance costs	170,373	38,017	57,783	74,573	(1,341,520)	(1,433,117)	145,760	(54,163)
Surplus before tax and finance costs	170,373				(1,341,520)			
Finance costs	(97,936)	(97,936)	-	-	(92,375)	(92,375)	-	-
Net increase in property valuation surplus	-	-			-	-	-	-
Surplus/(deficit) before income tax	72,437	(59,919)	57,783	74,573	(1,433,895)	(1,525,492)	145,760	(54,163)
Income tax expenses	-	-			-	-		
Net surplus/(deficit) for the year after tax	72,437				(1,433,895)			

	Continuing Operations				Continuing Operations			
	Residential				Residential			
2024 Total	Aged Care Segment	Self Care Segment	Home Care Segment	2023 Total	Aged Care Segment	Self Care Segment	Home Care Segment	
\$	\$		\$	\$	\$		\$	
Assets and liabilities								
Segment total assets	157,229,718	81,336,746	75,603,498	289,474	144,966,637	73,994,318	70,810,588	161,731
Total assets	157,229,718	81,336,746	75,603,498	289,474	144,966,637	73,994,318	70,810,588	161,731
Segment total liabilities	98,033,267	44,466,051	53,532,647	34,569	85,842,623	37,063,705	48,774,048	4,870
Total liabilities	98,033,267	44,466,051	53,532,647	34,569	85,842,623	37,063,705	48,774,048	4,870

All assets are allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

Other segment information

Capital expenditure	2,533,854	1,510,950	982,734	40,170	6,937,015	6,156,001	774,014	7,000
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Non-cash expenses:

Depreciation	1,881,706	1,291,196	581,278	9,232	1,698,017	1,168,425	520,513	9,079
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Geographical information

The company operated in one geographic area – Australia (country of domicile).

Information about major customers

Included in revenues are Commonwealth subsidies and supplements of \$14.81M (2022: \$10.43M) from the Department of Health. In addition the company also receives a significant part of its recurring fees from residential aged care and self care residents.

NOTE 18: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's principle financial instruments comprise receivables, payables, cash and short term deposits, financial liabilities and other financial assets. These activities expose the Trust to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

The Directors manage the different types of risk to which the Trust is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecasts for interest rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

The Trust holds the following financial instruments:

Financial assets and liabilities

2024:

Cash and cash equivalents	1,105,231
Trade and other receivables	950,847
Other financial assets	34,380,000
Trade and other payables	(3,581,328)
Non-interest bearing borrowings	(93,886,522)

2023:

Cash and cash equivalents	1,653,590
Trade and other receivables	546,506
Other financial assets	22,800,000
Trade and other payables	(2,120,471)
Non-interest bearing borrowings	(83,170,273)

Risk exposures and responses

Interest rate risk

The Trust's exposure to market interest rates relates primarily to the Trust's short term deposits held, other financial assets and interest bearing liabilities.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure in existence at balance date. If interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax surplus and equity would have been affected as follows:

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Notes to and forming part of the financial statements for the year ended 30 June 2024

	Carrying value	Surplus after tax -1.0%	Equity -1.0%	Surplus after tax +1.0%	Equity +1.0%
	\$	\$	\$	\$	\$
2024					
Financial assets					
Cash and cash equivalents	1,105,231	(11,052)	(11,052)	11,052	11,052
Other financial assets	34,380,000	(343,800)	(343,800)	343,800	343,800
Financial liability					
Interest bearing borrowings	-	-	-	-	-
2023					
Financial assets					
Cash and cash equivalents	1,653,590	(16,536)	(16,536)	16,536	16,536
Other financial assets	22,800,000	(228,000)	(228,000)	228,000	228,000
Financial liability					
Interest bearing borrowings	-	-	-	-	-

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Trust trades only with recognised, credit worthy third parties, and as such collateral is not requested nor is it the Trust's policy to securitise its trade and other receivables. It is the Trust's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Price risk

The Trust's exposure to price risk is not material.

Liquidity risk

The Trust manages liquidity by monitoring cash flow and maturity profiles of assets and liabilities.

Maturities of financial liabilities

The following table reflects undiscounted contractual maturity analysis for non-derivative financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The Trust does not hold directly any derivative financial liabilities.

	0 – 1 year	1 – 2 years	2 – 5 years	> 5 years
2024				
Financial liability				
Trade and other payables	3,581,328	-	-	-
Interest bearing borrowings	-	-	-	-
Non-interest bearing borrowings	-	-	-	-

The non-interest bearing loans are repayable on the vacation of the accommodation by residents. As repayment of both refundable accommodation contributions (residential aged care) and entry contributions (independent living) are dependent on events whose timing is not predetermined, no allocation of the relevant maturity is possible on any reasonably accurate basis.

Fair values

The net fair value of the Trust's financial instruments approximates their carrying values.

THE BUCKLAND CONVALESCENT HOSPITAL
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Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 19: CASH FLOW RECONCILIATION

	2024	2023
	\$	\$
Reconciliation of net cash flows from operating activities with net surplus		
Net surplus	72,437	(1,433,895)
Non-cash flow in net surplus		
Depreciation and amortisation	1,881,706	1,698,017
Retention income	(1,578,371)	(1,391,849)
(Gain)/loss on sale of non-current assets	5,381	36,163
Investment property revaluation increase	-	-
Changes in assets and liabilities		
Decrease/(increase) in trade receivables	(116,172)	(57,969)
Decrease/(increase) in other receivables	(290,159)	(112,454)
Decrease/(increase) in prepayment	(180,332)	(182,579)
(Decrease)/increase in payables	708,894	313,827
(Decrease)/increase in other liabilities	457,731	9,336
(Decrease)/increase in provisions	309,760	156,933
Cash flow from operating activities	<u>1,270,875</u>	<u>(964,470)</u>

NOTE 20: RESERVES

The asset revaluation reserve is used to record increments on the value of non-current assets. Revaluation increment for the year was \$0 (2023: \$0).

NOTE 21: COMMITMENTS FOR EXPENDITURE

	2024	2023
	\$	\$
(a) Capital Commitments		
Capital commitments for redevelopment contracted for at balance date but not provided for:		
Not later than one year	1,612,315	-
Later than 1 year but not later than 5 years	-	-
Total (including GST)	<u>1,612,315</u>	<u>-</u>
(b) Operating Lease Commitments		
Operating lease commitments for photocopies contracted for at balance date but not provided for:		
Not later than one year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total (including GST)	<u>-</u>	<u>-</u>

The total commitments above include input tax credits of \$146,574 (2023: \$0) that are expected to be recoverable from the Australian Tax Office.

A contract to the value of \$995,904 for the refurbishment of the Buckland Nursing home was entered into in February 2024 with refurbishment commencing on 29 April 2024. This project was completed in July 2024. The contract to the value of \$707,586 for the Buckland Café was entered into in May 2024, with work to commence in July 2024.

THE BUCKLAND CONVALESCENT HOSPITAL
ABN 82 517 110 268

Notes to and forming part of the financial statements for the year ended 30 June 2024

NOTE 22: CONTINGENT LIABILITIES

The Trust has no outstanding legal cases (2023: Nil).

NOTE 23: ECONOMIC DEPENDENCY

The Trust is dependent upon the ongoing receipt of funding from the Commonwealth Government to ensure the continuance of its residential aged care services.

NOTE 24: RELATED PARTY TRANSACTIONS

There were no material transactions with related parties during the year.

NOTE 25: EVENTS SUBSEQUENT TO BALANCE DATE

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

NOTE 26: IMPACTS OF COVID-19 ON ANNUAL REPORT DISCLOSURES

The valuation of the assets of the Trust may be affected by events related to and conditions due to the COVID – 19 Pandemic. These events may cause a change in asset values and there may be a change in income earning capacity of the Trust. These events may also have an impact on future income and continued viability of the Trust, however, the financial impact to the Trust or any decline in asset values, cannot be reasonably estimated at this time.

NOTE 27: INSURANCE COVERAGE REDUCTION

During the financial year the Board took a decision to accept bushfire insurance coverage of \$50,000,000 on the buildings owned by BCH (whose written down value at 30th June 2024 was \$120,164,822). This decision was prompted in the 2023/24 year when the proposed increase in insurance premiums were 250%. During the 2024/25 renewal period the insurance coverage for buildings has remained unchanged, owing to circumstances where no insurers were able to offer any additional coverage beyond this amount. The Board's decision was based on a number of factors:

- the geographical spread of dwellings on site,
- the increased and extensive bushfire protection measures in place; and
- the Board's assessment that the risk of a total loss from a single event was very low.

Whilst a catastrophic event with the insurance cover adopted would impact BCH ability to continue trading, such an event is extremely unlikely.

NOTE 28: TRUST DETAILS

The registered office and operating location of the Trust is:
The Buckland Convalescent Hospital
39 Hawkesbury Road
SPRINGWOOD NSW 2777

THE BUCKLAND CONVALESCENT HOSPITAL
ABN 82 517 110 268

DIRECTORS' DECLARATION

The Directors of the trustee company declare that in the directors opinion:

1. The financial statements and notes, as set out on pages 6 to 26:

- (a) comply with Accounting Standards and satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
- (b) give a true and fair view of the financial position as at 30 June 2024 and performance for the year ended on that date of the Trust.

2. In the Directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board

Signed by:

033905DEBDCC478.....
Trevor I. Cork Director/Chairman

DocuSigned by:

2F5EF3EC00BC401.....
Graham C Collins Director

Springwood, 21st day of October 2024

Buckland Convalescent Hospital

ABN: 82 517 110 268

Independent Audit Report to the members of Buckland Convalescent Hospital

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report of Buckland Convalescent Hospital, which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Buckland Convalescent Hospital is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of Buckland Convalescent Hospital's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, 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 Buckland Convalescent Hospital in accordance with the ACNC Act; 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-for-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



**Chartered
Accountants**

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine 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 directors are responsible for assessing the Company'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 directors either intend to liquidate Company or to cease operations, or have no realistic alternative but to do so.

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.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 the directors 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Yours faithfully,

MARTIN & LUSCOMBE PTY LIMITED

A handwritten signature in black ink, appearing to be 'Donald Luscombe', written over a horizontal line.

DONALD LUSCOMBE - Director

Date: 25 October 2024