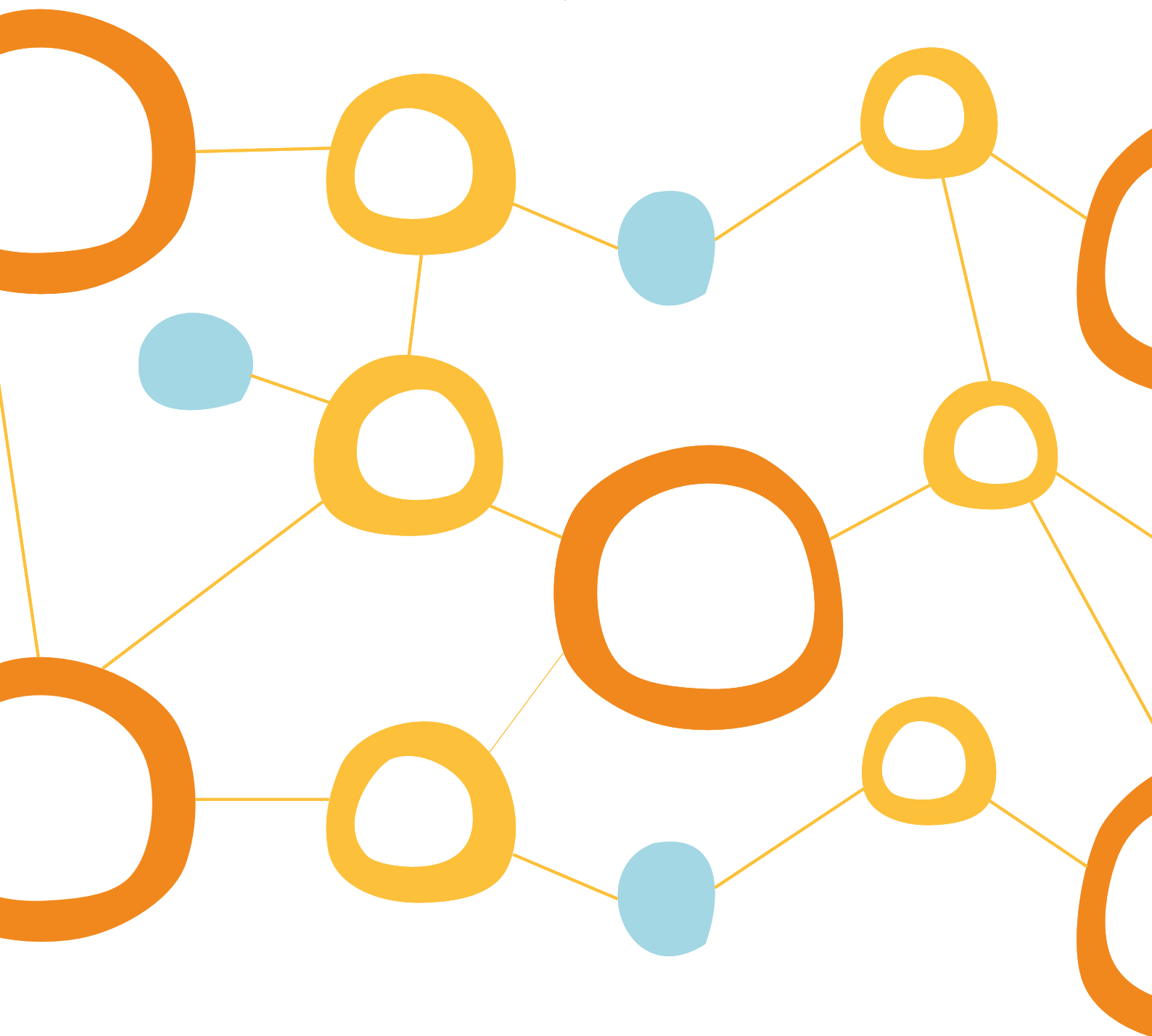




# SAMARINDA

*locals for locals*



*Annual Report*  
*2022/23*






## Contents

4	A brief history...
5	Purpose, Vision, Values
6	Chair/CEO Report
8	Highlights
9	Executive Team
10	Board
12	Community Service Programs
14	Residential Care
15	'The Ashy' Op Shop





16	Financial Statements
	<i>Board Report</i>
	<i>Auditor's Independence Declaration</i>
	<i>Statement of Surplus or Deficit and Other Comprehensive Income</i>
	<i>Statement of Financial Position</i>
	<i>Statement of Changes in Equity</i>
	<i>Statement of Cash Flows</i>
	<i>Notes to the Financial Statements</i>
	<i>Declaration by the Board</i>
	<i>Independent Auditor's Report</i>
47	Getting Involved



# A brief history of Samarinda Ashburton Aged Services

In 1961 the Ashburton Elderly Citizens Club was formed as an independent community project in response to the needs of the local community, to provide services to elderly citizens in Ashburton. This included the formalised provision of home delivered meals to people in need, a service which had been informally happening since the 1950s. To fund the services, this led in 1962 to the creation and opening of the 'Golden Opportunity Shop' (now The 'Ashy' Op Shop) in the former temporary Post Office building on land owned by Victorian Railways.

In 1963, the then Camberwell Council set aside the land on the corner of Welfare Parade and High Street and fundraising began for the building of a Senior Citizens Centre. In 1966 the Ashburton & District Senior Citizens Welfare Association was formed and ultimately this led in 1967 to the opening of the Ashburton Senior Citizens Club building.

From this point in time, the Ashburton & District Senior Citizens Welfare Association (which later became known as Ashburton Support Services) became involved in many projects and services including:

- Meals on Wheels
- Social Support Services including Planned Activity Group (PAG) services
- Assisting and acquiring a 10% share in the Stocks Village Independent Living Units Development
- Involvement in the funding and development of Elsie Salter House program
- Assisting in paying for the Craig Family Centre Playground
- Operation of many centre-based activities for seniors

In short, Ashburton Support Services and its predecessors played a significant role in the building and development of the community fabric within the region, and has assisted in providing many services to people who are ageing or who have a disability.

In 1993 Ashburton & District Hostel Inc launched a fundraising appeal for the development of an aged care hostel on land provided by the Camberwell Council, on which the Ashburton RSL was located. A committee was formed, headed by the late Harold Johnston, and in 1995 Samarinda Lodge Inc was established and commenced the delivery of high quality residential aged care support services to the local community.

Over time, Samarinda continued to become more established in the local area and in 2008 it took over the management of Elsie Salter House program which provides specialised support services to persons living in the community who have varying degrees of dementia. In addition, with a clear eye on continuing to meet demand for residential aged care services in the local area,

Samarinda commenced a building program in 2014 to increase its bed stock from 40 beds to a total of 92 beds, which also includes a 15 bed specialist Memory Support Unit. This building project was completed in 2018.

The merging of Ashburton Support Services and Samarinda Aged Services had been a talking point for many years and finally in 2015 it became a reality, when both Committees of Management and their Members agreed to the merger. As such, the new organisation now provides services under the name of Samarinda Ashburton Aged Services Incorporated (SAAS).

This merger has added strength to our organisation in that it now provides a sound platform to meet the needs of the ever-changing aged care environment. This means that Samarinda now has a greater ability and capacity to provide support to the local ageing and disability community across the continuum of in-home and residential supports. Furthermore, it allows Samarinda to tailor these with the consumer to meet their individual requirements.



**SAMARINDA**  
*locals for locals*



# Purpose. Vision. Values



## *Our Purpose is:*

To support local people and families to remain connected to their community.

## *Our Vision is:*

Every local individual and family deserves to remain connected, engaged and valued in the community they know and love.

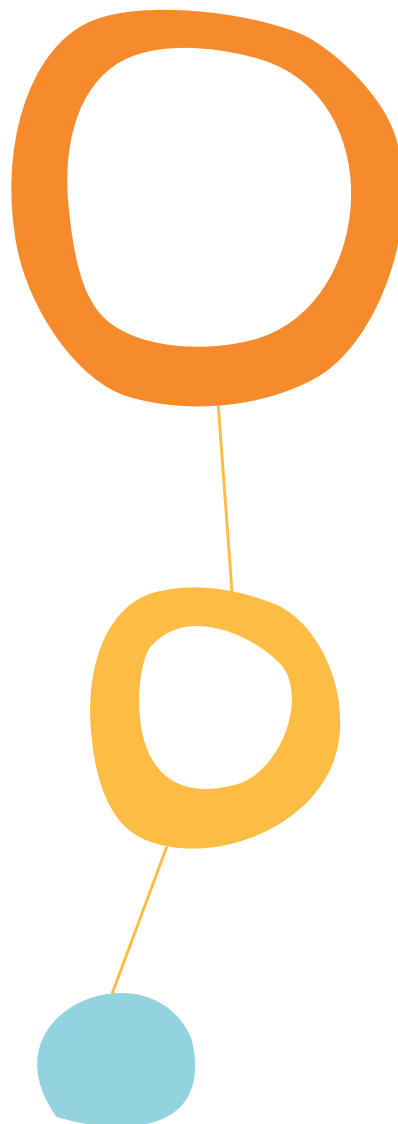
## *Our Values are:*

**Family** - We believe everyone deserves the right to a sense of belonging to family, place and community. This is a universal enduring value that is held dear to all stakeholders encouraging inclusiveness respecting, welcoming and celebrating differences.

**Giving** - We are committed to making the world a better place for everyone. We do this by sharing what we have with others, not just financial in nature but also time, skills, experience and unique qualities. We enable others to give wherever they can, and value their contributions.

**Partnership** - We are a generous partner organisation to others. We foster and develop our relationships in a spirit of cooperation with our colleagues, associates and services providers, in the industry and the community.

**Innovation** - We are continually striving to gain and apply knowledge to achieve additional value to our organisation and create a better and more effective environment for our stakeholders.





# Chair/CEO Report



The past year has again seen Samarinda Ashburton Aged Services Inc. (Samarinda) being tested by the challenges of COVID-19, the changes beginning to flow through from the Royal Commission into Aged Care Quality and Safety, the pressures of maintaining residential occupancy levels, impacts on organisational finances and the ongoing need to recruit and retain quality staff.

The year has seen Samarinda Lodge have another three official outbreaks of COVID-19 and one outbreak of Gastroenteritis. These outbreaks were all well managed by our Nursing and Care Staff, Laundry and Kitchen staff and our goal was always to ensure that any impacts on residents and their families were kept to a minimum.

We continue to maintain a cautious COVID-19 screening process in all our areas to ensure that we can get early identification of those who may not know that they are COVID-19 positive so that we can limit the spread to our clients, staff, volunteers and visitors.

This year has seen some changes come into effect from the recommendations from the Royal Commission into Aged Care Quality and Safety. One of these is the Star Rating system which measures the performance of all Residential Aged Care Providers according to certain indicators. It is a five (5) Star rating system with one (1) Star being 'significant improvement needed' to five (5) Stars being 'Excellent'. Samarinda Lodge is rated as a Four (4) Star organisation, which is classified as 'Good'.



Other recent changes include a change to residential aged care funding models moving from the Aged Care Funding Instrument (ACFI) to the new Australian National Aged Care Classification funding (AN-ACC). The National Aged Care Mandatory Quality Indicator Program now has an additional six (6) quality indicators that need to be reported on as part NQIP quarterly reporting through to the Aged Care Quality and Safety Commission as well as a thorough Quarterly Financial Report.

Our community services and residential teams have worked hard over the year to ensure that we maintain our high standards of safety and quality supports to those that we provide services to. The Community Services team successfully passed their NDIS mid-term review in November 2022 and also achieved an outstanding accreditation result having met all outcome standards in their Commonwealth Home Support Program (CHSP) and Home Care Packages Program (HCP) review in February 2023.

On the operational front, Samarinda Lodge continues to have challenges in raising its occupancy. Historically this has usually sat at over 95% however over the past two (2) years this has fluctuated from 78-85%. The decrease in occupancy and increases in expenses such as general cost of living and utilities expenses has contributed to Samarinda Lodge making an operating loss for this financial year and has also had an impact on working capital. There are however pleasing signs that agency usage is now decreasing due to an improvement in recruitment and retention of staff.

In Samarinda's community services our operations continue to expand with a successful tender to commence providing in home services and supports to clients who are funded under the CHSP program. In addition, our HCP program continues to have strong growth in total packages. Over the past 12 months the Community Services Programs have grown by another 31.5% in total income compared to the previous year. A great result led by Sandra Bygrave and her team.

Our community programs at the Samarinda Community Centre at 296 High Street continue to thrive serving as we have traditionally done both seniors and adults with a disability. Every week we welcome seniors and adults with a disability to a range of activities including exercise, meals, craftwork, table tennis, English classes and bus outings. It is also home to the thriving Chinese and Vietnamese community groups for one day a week each and every month we welcome the Gujarati community. Our kitchen is also very busy as the centre for our Meals on Wheels program. Thanks is due to Robert Howell and his band of workers and volunteers.

Samarinda's 'The Ashy' Op Shop also had a good year of sales compared the previous two (2) years. With COVID-19 having little to no impact on shop closures and with the recruitment of 2 new assistant managers, the Op Shop has continued where it left off with local shoppers once again enjoying the quality and variety of donations and goods on sale.

Recruitment of staff continued to be a challenge for Samarinda and the aged care sector over the past year. Samarinda however,



has been successful in recruiting high quality senior staff and well qualified carers and trainees throughout the year. We would like to welcome Cristine Acero, Samarinda's new Human Resource and Volunteer Manger; Alice Wang, Samarinda Lodge's new Residential Services Manager; and Fiona Ling, Samarinda's new Quality and Compliance Manager and welcome them to the executive team.

In addition, we would also like to welcome two new members to the Samarinda Board, Mr. Philip Mayers and Ms. Jill Linklater.

We would like to thank our clients, service users and their families for choosing Samarinda as your service provider and we trust that you find or have found the experience rewarding.

To our volunteers who put in so many hours into delivering meals, working at the Opportunity Shop and being involved in working directly in programs, we also want to thank you for your ongoing work and support of Samarinda and its clients.

To all our staff, it has been another busy 12 months. You have had to endure many changes to work practices and compliance which has added to your already busy workloads. In addition to this, there has been a sector wide shortage of staff and at times you have all had to pick up the pieces. We want to thank you all for your commitment to Samarinda and to our service users and congratulate you all for displaying our values of Family, Giving, Partnership and Innovation.

Finally, we want to thank the Samarinda Board and Executive for their ongoing work in steering the organisation during these difficult times. You have all made yourselves available and put in additional time to ensure that Samarinda remains relevant and viable during these challenging times. In particular, we want to acknowledge and thank recently retired Directors, Dr Elizabeth Lanyon and Yen Bui OAM for their longstanding support of Samarinda.



**Bob Stensholt, Chair**



**Mark Zentgraf, CEO**





# Highlights for 2022/23

- **219** Employees
- **118** Volunteers
- **9,806** Delivered meals
- **95** Members of Samarinda Ashburton Aged Services Inc.
- **\$17,119,123** Annual turnover which is a 31.1% increase in revenue from previous year
- Continued growth of the Home Care Packages.
- Successful Home Support Tender (CHSP)
- Partnership with SkilledCare to develop our workforce
- Successful NDIS mid-term review
- Successful accreditation of Home Care Package Program and CHSP.

## *Funded Programs*

- Residential Aged Care (respite and permanent)
- Home Care Packages Program
- Commonwealth Home Support Program
- Home and Community Care Program for younger people
- NDIS Disability

## *Building Connections with Community*

- Hall hire
- Op Shop
- Donations
- Grants

## *Services provided*

- Personal care
- Domestic assistance
- Home and garden maintenance
- Spring cleaning
- Assistive technology and equipment
- Wellbeing exercise nutrition program
- Social activity groups
- Community outings
- Carer support and respite
- Meals
- Nursing
- Allied health
- Residential care (respite and permanent)
- Specialised dementia care (day respite)
- Fee for service arrangements
- Positive behavior support
- Case management
- Community engagement
- Advocacy
- Shopping
- Wining and dining
- Navigating the Aged Care System
- Transport





# Executive Team



## **Chief Executive Officer**

**Mark Zentgraf**

*BN, Cert ICU, GradCertMgt, GradDipMgt, MBA*

*CEO - Samarinda Ashburton Aged Services*

Appointed in 2015

Mark has over 20 years of senior management experience in the Acute Health, Subacute, Aged Care, Community and Commercial sectors.



## **Finance Manager**

**Jeffrey Armstrong**

*BBus (Accounting), Member of the Chartered Accountants Australia & New Zealand*

Appointed in 2017

Jeff's experience has seen him work in Australia and the United Kingdom for various not-for-profit organisations over the last 16 years, including for Sport England and Blind Veterans UK as well as a role as Corporate Services Manager for Fairview Homes for the Aged in Warragul.



## **Residential Services Manager**

**Alice Wang**

*BN*

Appointed in 2022

Alice has worked in managerial roles for several mainstream aged care organisations (both for-profit and not-for-profit) over the last 10 years. Prior to that she also worked as an international SOS emergency nurse, where she developed clinical and first hand nursing care experience. Before coming to Samarinda, Alice was IPC Lead at the Australasian College for Infection Prevention and Control.



## **Quality & Compliance Manager**

**Fiona Ling**

*BN, MBA*

Appointed in 2023

Fiona is an experienced aged care manager with 25 years of operational excellence in ensuring optimal care and financial results across aged care homes. She is highly familiar with aged care regulations and skilled in management of the daily operations of homes to ensure quality outcomes for residents and their families. She has extensive experience with successful accreditations.



## **Community Services Manager**

**Sandra Bygrave**

*GradCert Ageing & Leisure*

Appointed in 2018

Sandra has over 25 years in management and consultation for the aged care and disability industries. She has extensive experience in community engagement and service development.



# Board



## **Bob Stensholt - Chair**

*BA, BDiv(Hons), MIntLaw, DipPhil*

**Appointed 2003**

A Victorian MP for over 10 years holding diverse roles, including Parliamentary Secretary for Treasury and Finance and Chair of Public Accounts & Estimates Committee, as well as senior management roles in Federal Government both in Australia and abroad. In recent years until his retirement in 2019 he has worked in the family consulting firm as well as served as Chief of Staff to Victorian State Ministers.

Bob has extensive experience in government services, international diplomacy, health and education, project evaluation, international water law, environment policy and international development. He is also involved in a wide range of local community organisations and activities. He chairs the Emergency Management Committee, is a member of the Governance Committee and as Board Chair attends other Committee meetings.



## **Dr Elizabeth McNaughton OAM - Deputy Chair**

*MBBS, FRACGP*

**Appointed 2001**

Dr. McNaughton is a retired General Medical Practitioner. She is the chair of the Clinical Governance Committee and member of the Community Committee.



## **George Andreola - Treasurer**

*BBus(Acc), DCompSc*

**Appointed 2007**

George has a background in professional accounting services with over thirty years of experience in accounting, audit and corporate advisory. George is a member of the Institute of Chartered Accountants in Australia & New Zealand, a member of the Australian Institute of Company Directors, is a Registered Company Auditor and has considerable expertise in the aged care industry. He is currently General Manager Corporate Services for ACCPA. He is the Chair of the Finance Committee.



## **Leong Lee - Member**

*BEng(Mech) Hons*

**Appointed 2012**

Leong has previously held directorships with ASX listed companies and was a business owner and member of community organisations. Leong is a member of the Finance Committee.





### ***Dianne Embry - Member***

***BSW, MSIP***

**Appointed 2021**

Dianne has over 17 years of senior executive leadership and Board roles within the not for profit sector spanning advocacy, social justice, health, youth homelessness, volunteering, aged care and disability. Dianne is Chair of the Community Services Committee, member of the Governance Committee and member of the Clinical Governance Committee.



### ***Phillip Mayers AM - Member***

***BA, LLB, Senior Executive Program (London Business School), CAHRI***

**Appointed 2023**

Philip's specialist areas cover the Education, Community, Health, Association and NFP sectors, and he has searched and recruited over 600 successful Chief Executives and senior managers in the human services sector. Philip has lectured in HR at Victoria University on the Master of Health Science program and has been a member of the Advisory Panel on Disability Studies at Deakin University. He also has extensive experience in Board leadership and governance, and fully understands the expectations of NFP Boards. Philip is Chair of the Governance Committee.



### ***Jill Linklater - Member***

***RN, BScN, MHA, Grad. Dip. Health and Medical Law, GAICD, FGIA, FACN***

**Appointed 2023**

Jill is a Registered Nurse who has enjoyed many senior executive management roles within the acute and subacute health sectors, senior state and commonwealth departmental roles in health and aged care, is a health services standards and NDIS accreditation assessor and also consults on clinical governance, quality and safety systems. She is a board non-executive director and is a representative on various organisations' reference groups with a consumer focus. Jill is a member of the Clinical Governance Committee.



# Community Service Report

**Commonwealth Home Support Program (CHSP):** Through a successful grant application, our range of CHSP services has extended to include Personal Care and Domestic Assistance. These entry level services combine with our Day Respite, Social Support Groups, Transport and Delivered Meals to provide older people with assistance to manage independently at a time when age is presenting its first challenges. Samarinda currently supports 252 individuals through CHSP funding.

**Home Care Packages (HCP):** For all or part of the year, 209 clients were supported to manage their Home Care Packages. The number of active clients at the end of this financial year had increased by 59 clients from the previous year. Many of our new Home Care Package clients are transitioning from CHSP and choosing to remain with Samarinda within our continuum of care.

**National Disability Insurance Scheme (NDIS):** Samarinda has delivered NDIS funded services for 5-years. Many of our Community Support Workers are employed across both ageing and disability services. Our Home-Based Services Team includes Disability Support Coordination and Plan Management services. Through our partnership with Ashwood School, we provide Disability Support Group activities for school aged children. We also run an evening and Saturday social group for young adults.

**Our workforce** has grown through a partnership with SkilledCare (a registered training organisation), to include traineeships – bringing new entrants into the sector. Our Community Services Leadership Team has been recruited from within and bring their previous experiences as support workers and care managers to their new roles, managing services delivery and leading dedicated teams of staff and volunteers.

**Our annual community engagement workshop** was held in November 2022 to reflect on our service model 'Engaged'. Participants were asked to rate our progress in delivering the four outcomes of ENGAGED: Living Well; Living at Home; Learning, Sharing and Building Skills; and Living in My Community. Each of the outcomes was given an overall percentage rating as to 'how well it was working' for the participants:

**64%** - How well has Samarinda Community Services helped you to make positive connections within your community?

**69%** - How well has Samarinda Community Services helped you to feel confident to stay living at home?

**73%** - How well has Samarinda Community Services given you opportunities to share or learn a skill?

**80%** - How well has Samarinda Community Services contributed to your well-being?





### ***Some service statistics***

**22,157** hours of Social Group activities  
**10,410** hours of Carer Respite provided at Elsie Salter House  
**9,806** meals delivered by Samarinda Volunteers  
**9,502** hours of Social & Community Assistance  
**6,383** hours of Disability Support Group activities  
**6,091** hours of Personal Care  
**5,489** hours of Domestic Assistance  
**1,997** transport trips provided by Samarinda Volunteers  
**1,853** meals served in our community facilities  
**1,586** hours of Disability Support Coordination  
**243** hours of Gardening Support provided by Samarinda Volunteers  
**209** clients supported to manage their Home Care Package  
**140** hours of Nursing Care at home  
**80** clients supported to manage their NDIS funding

Samarinda Community Services continue to thrive, grow and diversify. This is only possible due to the team of culturally diverse, skilled, passionate staff and volunteers who work with collegial respect for each other and genuine care for our clients. Each of them have stories to tell of exceptional customer service delivered every day. I am truly proud of them all.

### **Sandra Bygrave**

Community Services Manager





# Residential Care

The financial year of 2022-2023 has been characterized by consolidation, continuous improvement, and notable achievements. I became a part of Samarinda's family just before Christmas in 2022, and it was a fortunate opportunity to experience the heartwarming Christmas spirit that epitomizes the culture of Samarinda. Observing the smiles, laughter, and dancing in our dining room once more was a truly uplifting moment for me.

Throughout the year, like many other aged care facilities, we faced challenges, including our third COVID-19 outbreak and a gastro outbreak later in 2023. However, unlike the early days of the pandemic in 2020, the term "COVID-19" no longer instills panic and worry. Our team, along with the Infection Prevention and Control (IPC) lead, has gained substantial expertise in infection prevention and control. With the unwavering support and understanding from Samarinda's residents, families, and friends, we successfully managed the COVID-19 outbreak, which was declared over in just over two weeks. Thanks to a high COVID-19 vaccination rate, our residents experienced minimal clinical impact, a result we all aimed for.

This year, we once again achieved a STAR rating of 4. Although there are areas for improvement, as is the case for all aged care homes, the Samarinda team takes great pride in our accomplishments and deeply appreciates the recognition from our residents, families, and friends.

Samarinda has also made significant strides in building a stronger workforce. We have recruited additional nurses and carers who possess the right caring attitude and a genuine passion for their work. This has led to a significant decrease in agency usage, resulting in greater consistency in care. It's worth noting that agencies are now reserved as our last resort to ensure we always have sufficient support available to assist with our residents' needs.

As you are aware, the aged care industry has always been dynamic, subject to various regulatory changes. Rest assured, Samarinda is fully equipped and prepared to meet all the commission's requirements in the new financial year. In fact, we have already met the 24/7 RN requirement and the AN-ACC minutes throughout the year. We operate with a sharp focus on risk mitigation, continuous improvement, and enhancing the overall customer experience to optimize our residents' quality of life.

I would like to extend my heartfelt gratitude to all of you for your understanding, support, contributions, and care for the Samarinda team. I look forward to sharing another year of progress and success with you.

**Alice Wang**

Residential Services Manager





# ‘The Ashy’ Op Shop

Coming together in February 2023 and combining our talents with many years of retail experience, our focus has been to create an overall shopping experience with a “boutique atmosphere” in mind. From overwhelming volunteer and community feedback, we believe this objective has been achieved for ‘The Ashy’ Op Shop.

Choosing strategies such as selecting and the maintenance of high quality donations from the generosity of the community, we have managed to see growth.

During periods where we focused on our themes, particularly during the ski season, our diligence of stocking the yard with high quality snow gear proved highly successful.

The month of October, launching the Spring Racing Carnival we are experiencing positive and successful results.

Overall, the team’s positive success continues, as we strive and take pride in ideas of themes and current up-and-coming events, to assist in maintaining the creative energy within the shop.

This is on constant display within in our shop windows and through the store itself.

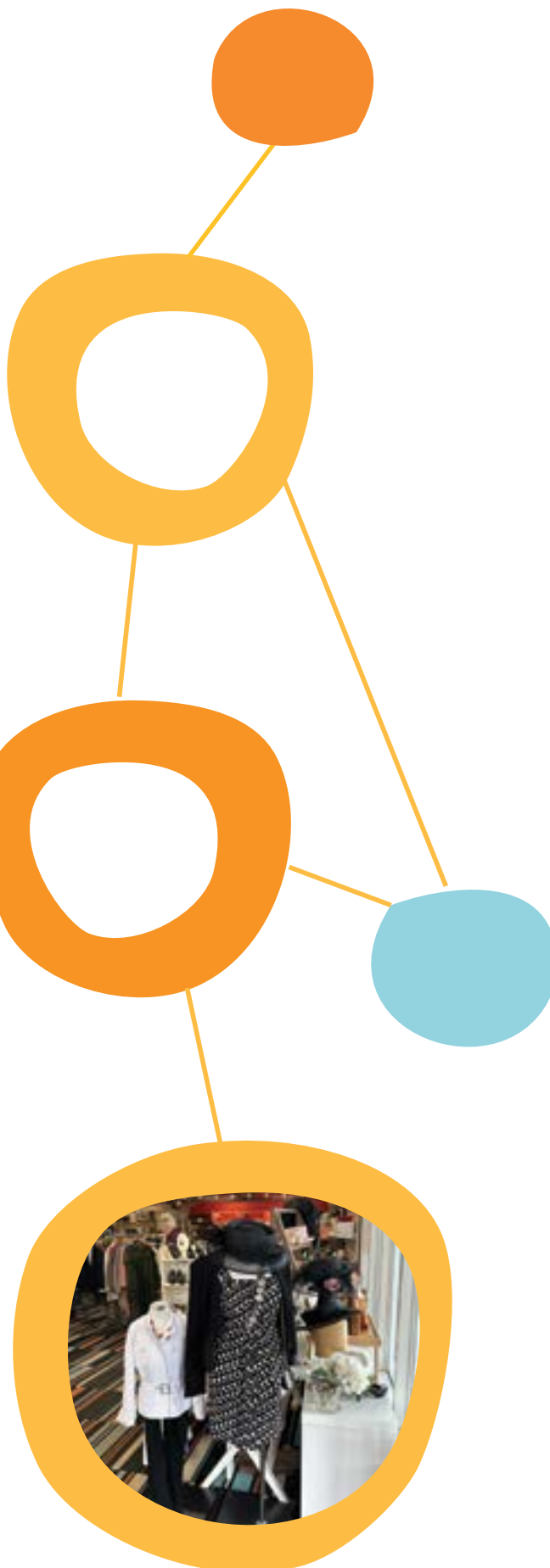
Decisions are based on seasonal fashion (Autumn, Winter, Spring), to events such as the Barbie movie or an era in time.

Finally, our use this year of individual tags of higher valued items and respecting stories of donated individual items “Everything has a Story” has been welcomed, valued and appreciated by all within our community.

Some of the more interesting donations we received:

- Millicent Hambridge painting she is an Australian portrait artist her work hangs in the South Australian Gallery
- World war 1 Italian army boots
- 6x Mid century Modern chairs made to order from Georges in Collins Street
- The Australian Olympic team track suit

## Ann and Annelies





# **Samarinda Ashburton Aged Services Inc**

ABN 48 522 054 140

## **Financial Statements**

**For the Year Ended 30 June 2023**



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Contents

For the Year Ended 30 June 2023

	Page
<b>Financial Statements</b>	
Board Report	1
Auditor's Independence Declaration	3
Statement of Surplus or Deficit and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Declaration by the Board	25
Independent Audit Report	26



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## BOARD REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Board of Samarinda Ashburton Aged Services Inc. (**Samarinda**) submits herewith its annual financial report for the financial year ended 30 June 2023.

### BOARD MEMBERS

The names and details of the Board members in office during the financial year and up to the date of this report are as follows. Members were in office for this entire period unless otherwise stated.

Bob Stensholt (Chair)  
Elizabeth Lanyon (resigned February 2023)  
George Andreola (Treasurer)  
Yen Bui OAM (resigned June 2023)  
Leong Lee (Secretary)  
Elizabeth McNaughton OAM  
Dianne Embry  
Philip Mayers (appointed May 2023)  
Jill Linklater (appointed June 2023)

### PRINCIPAL ACTIVITIES

The principal activity of Samarinda during the year ended 30 June 2023 continued to be the management of a facility providing residential care for aged persons and operating a day respite service offering specialised programs for the frail and those living with dementia and their carers, and continues to provide community support services and programs, home care package services, NDIS services and the operation of an opportunity shop.

### REVIEW OF OPERATIONS

The total Comprehensive deficit for the year was a deficit of \$165,238 (2022 surplus \$1,436,335).

Samarinda has operated in pursuing its objectives throughout the year.

During the year Samarinda experienced a high level of resident separations that have resulted in significant cash outflows.

### CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of Samarinda other than that referred to in the financial statements or notes thereto.

### LIKELY DEVELOPMENTS

Samarinda expects to maintain the present status and level of operations. Notwithstanding the consequence of COVID-19 resulting in reduced residential occupancy, reduced client activity and additional COVID-19 costs, which are likely to impact the timing and level of Samarinda's results over the foreseeable future.

The full impact of the pandemic on Samarinda will not be fully quantifiable for some time.

### ENVIRONMENTAL REGULATION

Samarinda's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

### CORPORATE STRUCTURE

Samarinda is an Incorporated Association. The address of the registered office and principal place of business is 286 High Street, Ashburton.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Samarinda has obtained insurance in respect of all directors and officers against all liabilities to other persons that may arise from their positions as directors and officers, except where the liability arises out of conduct involving a lack of good faith.

As part of the funding agreement with the Department of Health and Human Services, the premium of this insurance was paid for by the aforementioned for Samarinda for the period from 1 July 2022 to 30 June 2023.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## BOARD MEETINGS

The following table sets out the number of Board and sub-committee meetings held during the financial year and the number of meetings attended by each member.

	BOARD		FINANCE SUB-COMMITTEE		GOVERNANCE SUB-COMMITTEE		COMMUNITY SUB-COMMITTEE		CLINICAL GOVERNANCE SUB-COMMITTEE	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Bob Stensholt	11	10	10	10	3	3	5	5	7	7
Elizabeth Lanyon	5	5	6	6	2	2	2	2	4	4
George Andreola	11	7	10	8	-	-	-	-	-	-
Leong Lee	11	10	10	10	-	-	-	-	-	-
Liz McNaughton	11	10	3	3	-	-	5	4	7	7
Yen Bui	10	3	1	1	-	-	-	-	-	-
Dianne Embry	11	10	10	9	3	3	5	5	7	4
Philip Mayers	1	1	-	-	1	1	-	-	-	-

Signed in accordance with a resolution of the Board

Dated: 16 November 2023



BOB STENSCHOLT  
(Chair)



GEORGE ANDREOLA  
(Treasurer)



## **Samarinda Ashburton Aged Services Inc**

ABN 48 522 054 140

### **Auditor's Independence Declaration**

**For the Year Ended 30 June 2023**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, 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.

  
**Saward Dawson**  
Peter Shields

Partner

Blackburn VIC

Dated: 16 November 2023



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Statement of Surplus or Deficit and Other Comprehensive Income

For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue and other income	4	18,294,875	15,131,580
Employee benefits expense		(10,520,179)	(9,771,353)
Client expense		(4,226,518)	(3,231,510)
Property and equipment maintenance		(601,250)	(532,307)
Depreciation	5	(821,886)	(778,828)
Finance costs		(102,954)	(91,924)
RAD lease finance expense	1(k)	(1,211,496)	(1,012,920)
Interest expense on lease liabilities	11	(27,548)	(26,292)
Cost of sales (op shop)		(22,571)	(23,880)
Administrative expense		(925,711)	(899,931)
<b>Surplus/(deficit) from ordinary activities</b>		<b>(165,238)</b>	<b>(1,237,365)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Unrealised gain (loss) on investments		-	(26,300)
Net fair value movements for revaluation of non-current assets	9	-	2,700,000
		-	2,673,700
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>(165,238)</b>	<b>1,436,335</b>

The accompanying notes form part of these financial statements



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,471,926	1,384,355
Trade and other receivables	7	888,594	549,201
Other financial assets	8	49,242	3,936,674
Other assets	10	63,721	46,326
<b>TOTAL CURRENT ASSETS</b>		<b>2,473,483</b>	<b>5,916,556</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	26,054,412	26,596,567
Right-of-use assets	11	387,390	464,276
<b>TOTAL NON-CURRENT ASSETS</b>		<b>26,441,802</b>	<b>27,060,843</b>
<b>TOTAL ASSETS</b>		<b>28,915,285</b>	<b>32,977,399</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,048,995	1,282,123
Lease liabilities	11	73,861	68,427
Employee benefits	14	1,135,637	1,007,780
Other liabilities	13	19,467,327	23,087,025
<b>TOTAL CURRENT LIABILITIES</b>		<b>21,725,820</b>	<b>25,445,355</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11	352,502	426,363
Employee benefits	14	171,380	274,860
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>523,882</b>	<b>701,223</b>
<b>TOTAL LIABILITIES</b>		<b>22,249,702</b>	<b>26,146,578</b>
<b>NET ASSETS</b>		<b>6,665,583</b>	<b>6,830,821</b>
<b>EQUITY</b>			
Reserves	15	10,999,936	10,999,936
Retained earnings		(4,334,353)	(4,169,115)
<b>TOTAL EQUITY</b>		<b>6,665,583</b>	<b>6,830,821</b>

The accompanying notes form part of these financial statements



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Accumulated deficits \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2022	(4,169,115)	10,999,936	6,830,821
Deficit for the year	(165,238)	-	(165,238)
Balance at 30 June 2023	<u>(4,334,353)</u>	<u>10,999,936</u>	<u>6,665,583</u>

2022

	Accumulated deficits \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2021	(2,931,750)	8,326,236	5,394,486
Deficit for the year	(1,237,365)	-	(1,237,365)
Revaluation increment (decrement)	-	2,673,700	2,673,700
Balance at 30 June 2022	<u>(4,169,115)</u>	<u>10,999,936</u>	<u>6,830,821</u>

The accompanying notes form part of these financial statements



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		16,796,864	14,313,922
Payments to suppliers and employees		(16,950,558)	(15,123,389)
Dividends received		133,564	185,350
Interest received		47	3,355
Interest paid		(102,954)	(118,216)
Net cash provided by/(used in) operating activities	20	(123,037)	(738,978)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		-	20,909
Purchase of property, plant and equipment		(202,845)	(456,979)
Payment for investments		-	(1,327,477)
Proceeds from sale of investments		3,971,784	695,408
Net cash provided by/(used in) investing activities		3,768,939	(1,068,139)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from accommodation deposits		6,580,000	3,290,000
Payments of accommodation bonds and deposits		(10,069,904)	(8,550,889)
Repayment of lease liabilities		(68,427)	(51,573)
Net cash provided by/(used in) financing activities		(3,558,331)	(5,312,462)
Net increase/(decrease) in cash and cash equivalents held		87,571	(7,119,579)
Cash and cash equivalents at beginning of year		1,384,355	8,503,934
Cash and cash equivalents at end of financial year	6	1,471,926	1,384,355

The accompanying notes form part of these financial statements



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 1 Basis of Preparation

The financial report covers Samarinda Ashburton Aged Services Inc as an individual entity and is an association incorporated in Victoria under the *Associations Incorporations Reform Act 2012*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Standard of the Australian Accounting Standards Board (AASB), the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012. Samarinda is a not-for-profit entity, which is registered and domiciled in Australia for financial reporting purposes under Australian Accounting Standards.

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

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### Going Concern

As at 30 June 2023, Samarinda had current liabilities greater than its current assets. The financial report has been prepared on the going concern basis as the majority of current liabilities relate to Refundable Accommodation Bonds and Refundable Accommodation Deposits (RADs) from residents. The Board believes that these liabilities are unlikely to be fully repaid within the next 12 months and Samarinda is required to maintain sufficient liquidity under the Prudential Standards to enable it to meet its liabilities as and when they become due and payable. The Liquidity Management Strategy is reviewed at least annually and the minimum level of liquidity required based on the projected bond/deposit pool at 30 June 2023 is set at a minimum of \$2.77 million or the value of bonds subject to probate and repayment at any one time, whichever is the greater.

As at 30 June 2023, there was \$2.89 million of resident RADs due for refund pending the grant of probate.

Samarinda has funded a net outflow of RADs during the year and have had further repayments subsequent to year end. This has resulted in a significant reduction in investment reserves.

The directors are also undertaking the following steps to improve the financial performance of Samarinda:

- Monitoring separations and probates to ensure sufficient cash is available to meet repayments;
- Reviewing admission strategies to increase residential occupancy and community services clients; and
- Restructured operations to reduce costs without impacting quality of services provided, to meet available operating cash flows.

Samarinda has negotiated a 3 month standby credit facility (which by mutual agreement, can be extended), for \$2m, and is secured against Samarinda's property, to support the ongoing cash flow requirements for operational working capital and to provide liquidity for the repayment of resident obligations. Samarinda and the funding party have also entered into discussions to explore future opportunities to enhance the operations of both entities. These discussions are at an early stage and no definitive financial or other outcomes can be determined at present.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

No provision for income tax has been raised as Samarinda is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Samarinda is a Public Benevolent Institution and charity registered with the Australian Charities and Not-for-profits Commission.

#### (b) 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 Samarinda expects to receive in exchange for those goods or services.

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 Samarinda have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### Income streams

Revenue from the rendering of services is recognised upon the delivery of the service to the residents.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Donations without enforceable contracts are recognised upon receipt.

Daily Accommodation Payments (DAPs) are recognised as income where a resident has not paid the full balance of a refundable accommodation deposit from the date of entry into permanent care. DAPs may be drawn down from the refundable deposit or paid in cash.

Government grants are recognised on the basis that the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Each agreement is analysed to determine the revenue recognition in accordance with the five step model. Where performance obligations have not been met, it will result in unearned income at year end.

Home Care Package funding received is recorded as a liability until the point where the service has been provided to the HCP client and the right to earn revenue has been established. Where the service is provided by a third party, this is recorded as revenue and expense at the time the service is provided to the client. From September 2021, the home care package funding model changed and now reimbursements of expenditure is received in arrears which is recognised as revenue when the claim to the department has been lodged.

Other revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration Samarinda expects to receive in exchange for those goods or services.

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



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (c) Financial instruments

##### **Initial recognition and measurement**

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the profit or loss immediately. In most circumstances trade receivables are initially measured at the transaction price.

##### **Classification and subsequent measurement**

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income or interest expense over the relevant period.

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the above, Samarinda may make the following irrevocable elections/designations at initial recognition of a financial asset:

- Samarinda may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; or
- Samarinda may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (c) Financial instruments

##### Financial liabilities

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

Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination, held for trading, or it is designated as at FVTPL.

Borrowings are classified as current liabilities unless Samarinda has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### Impairment

Samarinda recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Samarinda recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on Samarinda's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

#### (d) 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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

##### Land

Land is measured at fair value. Fair value is determined on the basis of an independent valuation undertaken as at 30 June 2022. The fair values are recognised in the financial statements and reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the Statement of Surplus or Deficit and Other Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued buildings is charged to profit and loss.

##### Buildings, plant and equipment

Buildings, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (d) Property, plant and equipment

##### Depreciation

Depreciation is provided on property, plant and equipment, including buildings but excluding land. Depreciation is calculated on a straight line basis to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

The expected useful lives for each class of depreciable asset are:

Fixed asset class	Useful Lives
Buildings	40 years
Plant and Equipment	3-10 years
Motor Vehicles	4 years
Leasehold improvements	1.5 years

The carrying amount of plant and equipment is reviewed annually 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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and in banks, short term deposits with original maturities of less than 3 months and investments in money market instruments which are readily convertible to known amounts of cash.

#### (f) Employee benefits

Provision is made for Samarinda's liability for employee benefits arising from services rendered by employees to balance sheet date.

Employee benefits have been measured at the amounts expected to be paid when the liability is settled plus related on costs. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contributions are made by Samarinda to employee superannuation funds and are charged as expenses when incurred.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (g) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (h) Impairment of assets

The carrying value of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicated that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and the depreciated replacement cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For buildings and plant and equipment, impairment losses are recognised in the Statement of Surplus or Deficit and Other Comprehensive Income. However, because land is measured at revalued amounts, impairment losses on land are treated as a revaluation decrement.

#### (i) Accommodation bonds and refundable accommodation deposit

Accommodation bonds and Refundable Accommodation Deposits for residents in aged care facilities are held in accordance with the Aged Care Act 1997. Retention amounts are only deducted from accommodation bonds received from residents who entered care before 30 June 2014 in accordance with the Aged Care Act 1997. Retentions are not applicable on refundable accommodation deposits for residents who entered care after 1 July 2014. Residents have a choice of paying their accommodation cost as a refundable lump sum or as a daily payment. Daily payments may be drawn down from a refundable balance or paid in cash. Daily payments are recognised as income per Note 2(b).

Annual prudential compliance statements are lodged with the Department of Health within the required time frame. The accommodation bond or deposit liability is recognised when a resident moves into a facility. The net liability is refunded according to the requirements of the Act when a resident leaves. All of these liabilities have been classified as current as the organisation does not have an unconditional right to defer settlement beyond 12 months.

#### (j) Contributions

Samarinda receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of receipt at which time an asset is taken up in the balance sheet and revenue is recognised in the statement of Surplus or Deficit and Other Comprehensive Income.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (k) Leases

At inception of a contract, Samarinda assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The organisation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The organisation has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

#### Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, Samarinda recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Samarinda believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Samarinda's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in Samarinda's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Exceptions to lease accounting*

Samarinda has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Samarinda recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (k) Leases

##### Lessor accounting

Contracts with customers contain provisions for accommodation, use of common areas/facilities for provision of care and other services. The organisation has concluded that its contractual arrangements relating to the provision of residential aged care and retirement living accommodation are an operating lease pursuant to AASB 16, being the exclusive right to the use of a room/unit by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD, the organisation receives a financing benefit, being non-cash consideration, in the form of an interest free loan. On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs) and, correspondingly, interest expense (to record the financial liability associated with RADs at fair value) with no net impact on profit or loss.

The application of AASB 16 for the year ended 30 June 2023 has been calculated based on:

- average RAD balance for the year; and
- interest rate equal to the Maximum Permissible Interest Rate (MPIR) at the end of each quarter, ranging from 5% to 7.46% at 30 June 2023, which is a Government set interest rate used to calculate the Daily Accommodation Payment to applicable residents..

The organisation's Statement of Income and Expenditure and Other Comprehensive Income presents Income of \$1.2M and an additional Finance cost (i.e. interest expense) of \$1.2M, with \$nil impact to net result for the year. The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB16

#### (l) Economic dependence

Samarinda is dependent on the Commonwealth Department of Health and Aged Care for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Commonwealth Department of Health and Aged Care will not continue to support Samarinda.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 3 Critical Accounting Estimates and Judgments

The Board evaluates 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 Samarinda

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment**

Samarinda assesses impairment at each reporting date by evaluating conditions specific to Samarinda that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost performed in assessing recoverable amounts incorporate a number of key estimates

#### **Key estimates - fair value of financial instruments**

Samarinda measures financial instruments (investments in listed entities) and non-financial assets (land), at fair value at each reporting date. Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Board engages independent experts to consult in respect of fair value judgments.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Revenue

	2023	2022
	\$	\$
<b>Revenue from contracts with customers (AASB 15)</b>		
- Residents and clients fees	8,712,474	6,911,066
- Sale of goods (op-shop)	341,647	315,387
- Commonwealth funding - Department of Health and Aged Care	7,271,055	6,937,197
- State funding - Department of Health	12,830	17,106
- Other funding	70,158	72,222
	<b>16,408,164</b>	<b>14,252,978</b>
<b>Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)</b>		
- Donations	4,250	3,511
- Government stimulus payments	436,645	64,020
	<b>440,895</b>	<b>67,531</b>
<b>Other Income</b>		
- RAD lease finance income	2(k) 1,211,496	1,012,920
- Interest received	47	3,355
- Investment income	133,564	183,097
- Fair value movement on financial assets measured at fair value through profit or loss	84,352	(426,635)
- Other income	16,357	38,334
	<b>1,445,816</b>	<b>811,071</b>
<b>Total Revenue</b>	<b>18,294,875</b>	<b>15,131,580</b>

### 5 Expenses

The result for the year includes the following specific expenses:

Depreciation of property, plant and equipment	745,000	709,781
Depreciation of right-of-use assets	76,886	69,047
	<b>821,886</b>	<b>778,828</b>
Defined contribution superannuation	816,631	719,889

### 6 Cash and Cash Equivalents

Cash at bank and in hand	311,508	627,124
Short-term deposits	15,000	110,000
Deposits at call - JBWere	1,145,418	647,231
	<b>1,471,926</b>	<b>1,384,355</b>



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	382,422	244,078
Accrued income	435,184	228,445
Security deposits	25,000	25,000
GST receivable	44,688	49,434
Sundry debtors	1,300	2,244
	<u>888,594</u>	<u>549,201</u>

### 8 Other Financial Assets

#### (a) Financial assets at fair value

##### CURRENT

Financial assets - at fair value through Profit and Loss	49,242	3,936,674
	<u>49,242</u>	<u>3,936,674</u>

#### (b) Fair value measurement

Fair value measurement requires that financial and non-financial assets and liabilities measured at fair value be disclosed according to their position in the fair value hierarchy. This hierarchy has three levels. Level 1 is based on quoted prices in active markets for identical assets; Level 2 is based on quoted prices or other observable market data not included in level 1; while Level 3 valuations are based on inputs other than observable market data.

The Board has assessed that the fair value of land remains consistent with that determined by the independent valuation undertaken as at 30 June 2022. The asset is accordingly disclosed as a Level 3 asset in the hierarchy



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 9 Property, plant and equipment

	2023 \$	2022 \$
<b>LAND AND BUILDINGS</b>		
<b>Land</b>		
At fair value	11,000,000	11,000,000
Total land	11,000,000	11,000,000
<b>Buildings</b>		
At cost	16,725,335	16,725,335
Accumulated depreciation	(2,694,079)	(2,276,224)
Total buildings	14,031,256	14,449,111
Total land and buildings	25,031,256	25,449,111
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
At cost	3,098,234	2,916,611
Accumulated depreciation	(2,075,078)	(1,782,873)
Total plant and equipment	1,023,156	1,133,738
<b>Motor vehicles</b>		
At cost	64,459	64,459
Accumulated depreciation	(64,459)	(50,741)
Total motor vehicles	-	13,718
Total plant and equipment	1,023,156	1,147,456
<b>Total property, plant and equipment</b>	<b>26,054,412</b>	<b>26,596,567</b>

In the 2022 financial year, a valuation report was obtained from CIVAS dated 26 July 2022. As of that date the fair value of the land has been determined on an unimproved basis, with regard to available market evidence at \$11,000,000. The valuation of the buildings exceeded its book value however, the Directors elected not to recognise the valuer's increment to buildings. The Board review the value of the land and buildings annually in order to determine asset impairment. The Board has determined the assets were not impaired as at 30 June 2023.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 9 Property, plant and equipment

#### (a) Movements 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:

	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
<b>Year ended 30 June 2023</b>					
Balance at the beginning of year	11,000,000	14,449,111	1,133,738	13,718	26,596,567
Additions	-	-	202,844	-	202,844
Depreciation expense	-	(564,621)	(166,660)	(13,718)	(744,999)
<b>Balance at the end of the year</b>	<b>11,000,000</b>	<b>13,884,490</b>	<b>1,169,922</b>	<b>-</b>	<b>26,054,412</b>



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 10 Other assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	63,721	46,326

### 11 Leases

#### Right-of-use assets

Balance at beginning of year	464,276	533,323
Depreciation charge	(76,886)	(69,047)
<b>Balance at end of year</b>	<b>387,390</b>	<b>464,276</b>

The three property leases are non-cancellable leases with various terms and options. 296 High St, Ashburton property lease has a four year term ending 30 June 2024 with no further term options and fixed yearly rent payment increases of varying amounts payable annually in advance. 11 Marquis St, Ashburton property lease had a three year term ending 30 June 2025 and yearly rent payment increases based on CPI payable quarterly in advance. 289 High St, Ashburton property lease has a three year term ending 31 August 2024 with two further term options of three years each which is expected to be exercised at this stage and a fixed yearly rent payment increase of 3% payable monthly in advance. The discount rate (interest rate) utilised in the calculation of the lease liability was 4.509% for 269 High St and Marquis St and 6.14% for 289 High St.

#### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
<b>2023</b>					
Lease liabilities	103,378	278,835	148,261	530,474	426,363
<b>2022</b>					
Lease liabilities	95,975	306,528	213,615	616,118	494,790

#### Amounts recognised in the statement of Surplus or Deficit and Other Comprehensive Income

	2023	2022
	\$	\$
Depreciation - right-of-use assets	76,886	69,047
Interest expense on lease liabilities	27,548	26,292



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 12 Trade and Other Payables

	2023 \$	2022 \$
CURRENT		
Trade payables	361,414	331,344
GST payable	4,785	11,461
Grants in advance	9,495	328,180
Home care client balances	25,907	123,995
Prepaid income	120,156	50,633
Other payables	527,238	436,510
	<u>1,048,995</u>	<u>1,282,123</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of their fair value due to the short-term nature of the balances.

### 13 Other Liabilities

CURRENT		
Accommodation bonds / refundable deposits	16,576,334	17,649,863
Refundable deposits owed to residents	2,890,993	5,437,162
	<u>19,467,327</u>	<u>23,087,025</u>

### 14 Employee Benefits

CURRENT		
Annual leave	726,802	661,773
Long service leave	408,835	346,007
	<u>1,135,637</u>	<u>1,007,780</u>
NON-CURRENT		
Long service leave	171,380	274,860

Provision for long service leave entitlements are included above for employees not covered under the Portable Long Service Leave Scheme.

### 15 Reserves

#### Asset revaluation reserve

The asset revaluation reserve records revaluations of land.



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 16 Financial Risk Management

	2023	2022
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	1,471,926	1,384,355
Trade and other receivables	888,594	549,201
Managed investments	49,242	3,936,674
<b>Total financial assets</b>	<b>2,409,762</b>	<b>5,870,230</b>
<b>Financial liabilities</b>		
Trade and other payables	888,652	767,854
Resident liabilities	16,576,334	17,649,863
<b>Total financial liabilities</b>	<b>17,464,986</b>	<b>18,417,717</b>

Financial liabilities exceed financial assets by \$15,055,224 (2022: \$12,547,487). The directors have provided commentary in relation to their assessment in Note 1.

### 17 Key Management Personnel Disclosures

The remuneration paid to key management personnel of Samarinda is \$ 561,199 (2022: \$ 546,249).

There were no other related party transactions during the year.

### 18 Auditors' Remuneration

Remuneration of the auditor		
- audit of the financial statements	21,650	19,950
- other services	2,850	2,850
<b>Total</b>	<b>24,500</b>	<b>22,800</b>

### 19 Contingencies

In the opinion of those charged with governance, Samarinda did not have any contingencies at 30 June 2023 (30 June 2022:None).



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 20 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Surplus/(Deficit) for the year	(165,238)	(1,237,365)
<b>Non-cash flows in result:</b>		
- RAD lease finance income	(1,211,496)	(1,012,920)
- depreciation	821,886	778,823
- RAD lease finance expense	1,211,496	1,012,920
- unrealised loss/(gain) on fair value movement of investments	(84,352)	426,635
- non-cash DAP drawdowns from RADs	(129,794)	(157,429)
- net (gain)/loss on disposal of non-current assets	-	(19,542)
<b>Changes in assets and liabilities:</b>		
- (increase)/decrease in trade and other receivables	(339,393)	(165,715)
- (increase)/decrease in other assets	(17,395)	1,804
- increase/(decrease) in trade and other payables	(233,128)	(182,470)
- increase/(decrease) in provisions	24,377	(183,719)
Cashflows from operations	<u>(123,037)</u>	<u>(738,978)</u>

### 21 Events after the end of the Reporting Period

Subsequent to year end, Samarinda has negotiated a 3 month standby credit facility (which by mutual agreement, can be extended), for \$2m, and is secured against Samarinda's property, to support the ongoing cash flow requirements for operational working capital and to provide liquidity for the repayment of resident obligations. Samarinda and the funding party have also entered into discussions to explore future opportunities to enhance the operations of both entities. These discussions are at an early stage and no definitive financial or other outcomes can be determined at present.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of Samarinda, the results of those operations or the state of affairs of Samarinda in future financial years.

### 22 Statutory Information

The registered office and principal place of business of Samarinda Ashburton Aged Services Inc. is:

286 High Street  
Ashburton, VIC 3147



# Samarinda Ashburton Aged Services Inc

ABN 48 522 054 140

## Declaration by the Board

The Board has determined that Samarinda Ashburton Aged Services Inc. is a reporting entity and that this general purpose financial report (Simplified disclosure standard) should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements, the reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC).

In the opinion of the Board the financial statements as set out on pages 4 to 24:

- 1. Presents a true and fair view of the financial position of Samarinda Ashburton Aged Services Inc. as at 30 June 2023 and of the performance for the year ended on that date.
- 2. At the date of this statement, there are reasonable grounds to believe that Samarinda Ashburton Aged Services Inc. will be able to pay its debts as and when they fall due for the reasons set out in Note 1 of Notes to the financial statements.
- 3. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Regulations 2022 and the Associations Incorporations Reform Act 2012 (VIC).

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Chair .....



Treasurer .....

Dated: 16 November 2023



## **Samarinda Ashburton Aged Services Inc**

### **Independent Audit Report to the members of Samarinda Ashburton Aged Services Inc**

#### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Samarinda Ashburton Aged Services Inc, which comprises the statement of financial position as at 30 June 2023, the statement of surplus or deficit and other 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 declaration by the board.

In our opinion the financial report of Samarinda Ashburton Aged Services Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012 (VIC)*, including:

- (i) giving a true and fair view of Samarinda's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022* and the *Associations Incorporations Reform Act 2012 (VIC)*.

#### **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 Samarinda in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial report, which indicates that Samarinda's financial report is prepared on a going concern basis. Samarinda has funded a net outflow of RADs during the year and have further repayments subsequent to year end. This has resulted in a significant reductions in cash reserves. Samarinda also incurred a net deficit of \$165,238 for the year ended 30 June 2023 and, as reported in Note 16, Samarinda's financial liabilities exceed financial assets by \$15,055,224. The matters as set forth in Notes 1 & 16, indicate that a material uncertainty exists that may cast doubt on Samarinda's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## **Samarinda Ashburton Aged Services Inc**

### **Independent Audit Report to the members of Samarinda Ashburton Aged Services Inc**

#### **Board's Responsibility for the Financial Report**

The board of Samarinda are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012* and the Association Incorporation Reform Act 2012 (VIC), and for such internal control as the board members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing Samarinda'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.

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 Samarinda's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.



## **Samarinda Ashburton Aged Services Inc**

### **Independent Audit Report to the members of Samarinda Ashburton Aged Services Inc**

- Conclude on the appropriateness of the board's 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 Samarinda'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 Samarinda to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Saward Dawson**



Peter Shields

Partner

Blackburn VIC

Dated: 16 November 2023



**This page left intentionally blank**



# Getting Involved



SAMARINDA *locals for locals*

There are many ways in which the community can become involved with Samarinda Ashburton Aged Services.

One of these ways is through becoming a volunteer at any of our programs and services. This includes potential volunteering opportunities at:

- ‘The Ashy’ Op-Shop
- Elsie Salter House
- The Social Support Program
- The Kitchen
- Meals on Wheels
- The Gardening Support Program
- Leisure and Lifestyle activities at Samarinda Lodge

If you are interested in volunteering some of your time please contact the SAAS Volunteer Coordinator on Ph: 1300 591 464, or email: [volunteer@saas.org.au](mailto:volunteer@saas.org.au).

Another way to contribute to our organisation is through a donation. All donations assist the organisation to either improve current infrastructure or create new programs so that we can continue to provide the best outcomes to our local community.

To assist Samarinda with their work I would like to donate:

☐ \$20

☐ \$50

☐ \$100

☐ \$200

☐ \$500

☐ Other \$\_\_\_\_\_

CARD NUMBER

EXPIRY DATE

☐ MASTER CARD☐ VISA

CARD HOLDER NAME

CARD HOLDER SIGNATURE

DONOR ADDRESS

EMAIL

PHONE

*Please return completed form together with payment to:*

**SAMARINDA ASHBURTON AGED SERVICES**  
286 High Street, Ashburton Vic 3147  
Email: [admin@saas.org.au](mailto:admin@saas.org.au)





**SAMARINDA** *locals for locals*

286 High St, Ashburton, VIC, 3147

t 1300 591 464

[admin@saas.org.au](mailto:admin@saas.org.au)

[www.samarinda.org.au](http://www.samarinda.org.au)