

Financial Statements

Cypress View Lodge Limited
For the year ended 30 June 2019

Prepared by Salisbury Accountants

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Directors's Report

Cypress View Lodge Limited For the year ended 30 June 2019

Directors's Report

The Board presents its report on the entity for the financial year ended 30 June 2019.

Board Members

The names of board members throughout the year and at the date of this report are:

Board Member	Position	Date Started	Experience
Mrs Lynne Stuckings	President	01/11/2008	Business & Directorship
Ms Amanda Avery	Secretary	16/1/2016	Communications & Graphic design
Mr Kevan Boyle	Board Member	01/01/2010	Directorship
Ms Monika Burgess	Board Member	16/11/2016	Finance & Business
Ms Julie Woodman	Board Member	01/11/2008	Administration Management
Ms Briony Fattore	Board Member	16/11/2016	Business WHS & Education
Mr Paul Clarke	Board Member	20/03/2019	Finance & Compliance
Mr Graeme Rayner	Board Member	20/03/2019	Compliance & Infrastructure Management

Meetings of Directors Members

During the financial year, a number of directors meetings were held. Attendances by each of board members during the year were as follows:

Members Name	Number Eligible to Attend	Number Attended
Mrs Lynne Stuckings	13	13
Ms Amanda Avery	13	13
Mr Kevan Boyle	13	11
Ms Monika Burgess	13	12
Ms Julie Woodman	13	9
Ms Briony Fattore	13	10
Mr Paul Clarke	3	3
Mr Graeme Rayner	3	3

Principal Activities

The principal activities of the entity during the financial year were to provide aged care services including a hostel and independent living units.

Significant Changes

No significant change in the nature of these activities occurred during the financial year.

Operating Result

The net profit (loss) of the entity for the financial year amounted to (\$183,691) (2018 \$24,603 profit).

Signed in accordance with a resolution of the Board of the Directors on:



Lynne Stuckings - Director

Date 26/09/2019



Amanda Avery - Director

Date 26/09/2019

Statement of Comprehensive Income

Cypress View Lodge Limited For the year ended 30 June 2019

	2019	2018
Operating Comprehensive Income		
(a) Revenue		
Government Grants	1,059,930	1,089,639
Accommodation & Rental Charges	414,038	445,064
Other	75,128	75,481
Total (a) Revenue	1,549,096	1,610,184
(b) Expenditure		
Employee Benefits	1,168,780	1,134,864
Administration & Insurance	135,289	117,927
Food & Housekeeping	125,967	127,997
Depreciation	100,225	96,525
Strategic Planning	67,129	-
Maintenance	51,212	34,505
Other	84,185	73,763
Total (b) Expenditure	1,732,787	1,585,581
Operating Comprehensive Profit/(Loss) before adjustment	(183,691)	24,603
(c) Adjustment		
- Prior Year Error (2017)	-	(51,392)
- Sick Leave Policy Change	75,860	-
Total (c) Adjustment	75,860	(51,392)
Operating Comprehensive Profit/(Loss)	(107,831)	(26,789)
Other Comprehensive Income		
(d) Other Revenue		
- Revaluation of Land & Buildings	988,517	-
- 1995 Commonwealth Grant Liability	1,015,620	-
Total Other Comprehensive Income	2,004,137	-
Total Comprehensive Income for the year	1,896,306	(26,789)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Assets and Liabilities Statement

Cypress View Lodge Limited As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash and Cash Equivalents	2	2,044,368	2,435,785
Trade and Other Receivables	3	47,553	291,379
Total Current Assets		2,091,921	2,727,164
Non-Current Assets			
Land and Buildings	4	2,510,000	1,582,201
Plant and Equipment and Vehicles	4	251,863	269,893
Total Non-Current Assets		2,761,862	1,852,094
Total Assets		4,853,784	4,579,258
Liabilities			
Current Liabilities			
Refundable Accommodation Deposit	5	680,146	1,232,898
Trade and Other Payables	6	80,526	61,479
Provisions for Employee Entitlements	7	105,495	183,538
Total Current Liabilities		866,167	1,477,915
Non-Current Liabilities			
Commonwealth Government Grant	8	-	1,015,620
Provisions for Employee Entitlements	7	55,413	49,826
Total Non-Current Liabilities		55,413	1,065,446
Total Liabilities		921,580	2,543,361
Net Assets		3,932,203	2,035,897
Equity			
Retained Earnings		1,928,066	2,035,897
Reserves			
- Revaluation Surplus	4	988,517	-
- 1995 Capital Grant	8	1,015,620	-
Total Reserves		2,004,137	-
Total Equity		3,932,203	2,035,897

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Changes in Equity

Cypress View Lodge Limited For the year ended 30 June 2019

Statement of Changes in Equity

	Retained Earnings	Land & Buildings Revaluation Surplus	1995 Capital Grant	Total
	\$	\$	\$	\$
Opening Balance 1 July 2017	2,062,686	-	-	2,062,686
2018 Operating Profit (loss)	24,603	-	-	24,603
Retrospective adjustment due to prior year error	(51,392)	-	-	(51,392)
Closing Balance 30 June 2018	2,035,897	-	-	2,035,897
2019 Operating Profit (loss)	(183,691)	-	-	(183,691)
Other Comprehensive non operating income				
Land & Building Revaluation Surplus	-	988,517	-	988,517
Transfer capital grant liability to equity	-	-	1,015,620	1,015,620
Retrospective adjustment on change in accounting policy for sick leave.	75,860	-	-	75,860
Closing Balance 30 June 2019	1,928,066	988,517	1,015,620	3,932,203

Statement of Cash Flow

Cypress View Lodge Limited For the year ended 30 June 2019

Account	2019	2018
Operating Activities		
Receipts From Customers	1,515,738	1,438,953
Payments to Suppliers and Employees	(1,608,617)	(1,603,431)
Interest Received	47,182	46,631
Net Cash Flows from Operating Activities	(45,697)	(117,847)
Investing Activities		
Proceeds from sale of Property, Plant & Equipment	0	0
Payment for Property, Plant and Equipment	(22,969)	(49,013)
Net Cash Flows from Investing Activities	(22,969)	(49,013)
Cash flows from financing activities		
Borrowings - Repayments RAD's	(322,752)	0
Net Cash Flows from financing activities	(322,752)	0
Net Cash Flows	(391,418)	(166,860)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	2,435,786	2,602,646
Cash and cash equivalents at end of period	2,044,368	2,435,786
Net change in cash for period	(391,418)	(166,860)

Notes to the Financial Statements

Cypress View Lodge Limited For the year ended 30 June 2019

1. Statement of Significant Accounting Policies

The financial statements are general purpose financial statements prepared in order to satisfy the financial reporting requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on the historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of this financial report.

(a) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis (when expenditure exceeds \$1,000) and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(b) for details of impairment). Plant and equipment that have been contributed for no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings but excluding freehold land, is depreciated on a straight-line and diminishing value basis over the assets useful life to the entity commencing from the time the asset is held ready for use.

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

Freehold buildings 2.5% - 20%

Plant and machinery 5% - 100%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Any 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 carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold amounts, including in the revaluation reserve relating to that assets are transferred to retained earnings.

(b) Impairment of Assets

At the end of each reporting period, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists an impairment test read out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

These notes should be read in conjunction with the attached compilation report.

Where the future economic benefits of the asset are not primarily dependent upon the asset 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 is determined as the depreciated replacement cost of the asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on the revalued asset is identified, this is recognised against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for the same class of assets.

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Superannuation guarantee on costs were included in calculations of liabilities for the first time at 30 June 2019. Sick Leave has not been provided for at 30 June 2019 for the first time.

(d) Segment Reporting

The approved provider delivers residential aged care and other services including a hostel and independent living units.

(e) Comparative Figures

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

Where any entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(f) 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 amount normally paid within 30 days of recognition of that liability.

(g) Critical Accounting Estimates and Judgements

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

(h) Resident Refundable Accommodation Deposit Bonds

On admission to the Residential Care Facility some residents pay a Refundable Accommodation Deposit.

The amount of \$680,146 (2018 - \$1,232,898) classed as a current liability in the Balance Sheet for Refundable Accommodation Deposits is the estimated amount refundable to residents. In the normal course of events Accommodation Deposit Liabilities repaid on a Resident's departure are subsequently replaced by another Accommodation Deposit from a new resident.

	2019	2018
2. Cash on Hand		
Bendigo Bank Bonds Liquidity Account	195,516	353,329
Bendigo Bank Operating Account	133,344	157,878
Bendigo Bank Solar Panel Account	75,628	69,122
Bendigo Bank Term Deposit # 726	111,364	109,143
Bendigo Bank Term Deposit #213	190,297	186,539

These notes should be read in conjunction with the attached compilation report.

Bendigo Bank Term Deposit #235	-	122,458
Bendigo Bank Term Deposit #446	242,955	238,158
Bendigo Bank Term Deposit #528	88,202	85,686
Bendigo Bank Term Deposit #604	-	128,408
Bendigo Bank Term Deposit #677	168,902	163,970
Term Deposits Loan Security #152614988	143,120	140,294
Term Deposits Operating # 149762924	18,593	18,225
Term Deposits Operating # 150491850	449,050	440,158
Term Deposits Operating # 150599140	171,676	168,286
Term Deposits Operating # 151988730	55,721	54,131
Total Cash on Hand	2,044,368	2,435,785
	2019	2018

3. Trade and Other Receivables

Trade Receivables		
GST Account	5,410	4,366
Trade Debtors	32,466	261,487
Prepaid Expenses	3,266	1,406
Accrued Bank Interest	6,412	6,733
Accrued Income (670)	-	17,387
Total Trade Receivables	47,553	291,379
Total Trade and Other Receivables	47,553	291,379

These notes should be read in conjunction with the attached compilation report.

4. Property Plant & Furniture

(a)

	2019	2018
Freehold land and buildings	\$	\$
Freehold Land		
- at cost		52,217
- at valuation Note 4e	80,000	-
	80,000	52,217
Buildings		
- at cost	-	2,373,758
- at valuation Note 4e	2,430,000	-
Accumulated depreciation	-	(843,774)
Written Down Value	2,430,000	1,529,984
Freehold land & Buildings Total	2,510,000	1,582,201

(b)

Plant, equipment, furniture		
- at cost	660,096	674,812
Accumulated depreciation	(408,234)	(404,919)
Written Down Value	251,862	269,893

(c)

Total		
Cost	-	-
Cost or Valuation	3,170,096	3,100,787
Accumulated Depreciation	(408,234)	(1,248,693)
Written Down Value	2,761,862	1,852,094

These notes should be read in conjunction with the attached compilation report.

(d) Summary of Movements in Fixed Assets Written Down Values

	Freehold Land	Buildings	Plant, Equipment, Furniture	Total
Balance 1 July 2017				
At written down value	52,217	1,590,815	256,575	1,899,607
Additions	-	-	49,012	49,012
Disposals			-	
Depreciation 2018	-	(60,830)	(35,695)	(96,525)
Balance 30 June 2018	52,217	1,529,985	269,892	1,852,094
Additions			21,269	21,269
Disposals/writeoff			207	207
Depreciation 2019		(60,719)	(39,506)	(100,225)
Subtotal WDV	52,217	1,469,266	251,862	1,773,345
Revaluation Increment	27,783	960,734	-	988,517
Balance 30 June 2019	80,000	2,430,000	251,862	2,761,862

(e) On 31st January 2019 the freehold land and buildings held by the company were valued by independent valuers, Edmonds Associates, at current market value on a going concern basis of \$2,510,000. The fair value of freehold land and buildings increased by \$988,517 and was credited to other comprehensive non-operating income, and separately disclosed in Statement of Changes in Equity.

5. RAD - Refundable Accommodation Deposit Liability 30 June 2019

	2019	2018
	\$	\$
8 RAD held @ 1 July 2018	1,232,898	1,390,381
RAD received	115,000	610,675
4 RAD repaid	(667,752)	(768,158)
4 RAD held 30 June 2019	680,146	1,232,898

2019 2018

6. Trade and Other Payables

Trade Payables		2019	2018
Trade Creditors		11,348	7,898
Total Trade Payables		11,348	7,898

These notes should be read in conjunction with the attached compilation report.

	2019	2018
Other Payables		
Accrued Payroll - TIL	3,100	-
Wages Payable	36,706	35,756
Bendigo Business Credit Card	733	694
PAYGW	11,411	9,639
Accrued Expenses	8,866	-
Superannuation Payable	8,361	7,492
Total Other Payables	69,178	53,581
Total Trade and Other Payables	80,526	61,479

These notes should be read in conjunction with the attached compilation report.

7. Staff Leave Provisions

(a)

	2019	2018
	\$	\$
Current Liabilities-		
Annual Leave	83,945	88,096
Long Service Leave	21,550	19,582
Sick Leave	-	75,860
	105,495	183,538
Non-current Liability-		
Long Service Leave	55,413	49,826
Total Leave Provisions-		
Annual Leave	83,945	88,096
Long Service Leave	76,963	69,408
Sick Leave	-	75,860
	160,908	233,363

(b) Sick Leave

Sick leave accrued entitlements were provided for until 30 June 2018. Sick leave entitlements are non-vesting and not payable on termination of employment and have not been provided for at 30 June 2019. As the entitlements reduced during the 2018/2019 year the financial effect of this change of accounting policy is to increase the operating loss for the year by \$7,321. The change in accounting policy increased Equity by \$75,860.

Accounting standards have required for some years that the calculation of employment leave provisions to include additional costs payable when leave is taken including where applicable superannuation guarantee levy, annual leave loading, additional leave entitlements accruing during leave, workers compensation payable etc. The 9.5% superannuation guarantee levy was included in calculations at 30 June 2019 for the first time and consideration will be given to inclusion of other on costs next year. There financials effect of including superannuation guarantee levy this year was to increase expenses and losses by \$13,960.

8. Non Current Liability 30 June 2019

	2019	2018
	\$	\$
Capital Grants		
Commonwealth Government	-	1,015,620

The capital grant was received from the Commonwealth Government about 25 years ago to construct an aged care facility. The capital grant funds were used for this purpose subject to the providers review, approval and accreditation. Expenditure of the capital grant funds on aged care facility buildings, equipment and furniture was expended on fixed assets and has been depreciated over time.

Accounting standards require such capital grants to be reported as income and equity as long as the receiver has control over the funds.

While the capital grant may be repayable to the provider if Cypress View Lodge Ltd ceases to operate as a compliant aged care facility, the financial statements have been prepared on a going concern basis assuming the continued operation of a compliant aged care facility into the future.

As at the 30 June 2019 the \$1,015,620 is no longer recorded as a liability and has been added to equity as non operating/other comprehensive income, but is disclosed as a contingent liability.

9. Contingent Liability

The Company received a \$1,015,620 Commonwealth Government Capital grant to construct aged care facilities in 1995, and this grant may be repayable to the provider if the aged care facilities cease to be compliant or cease to be used as an aged care facility. No loss is anticipated.

10. Operating Results by Segment - Year Ended 30 June 2019

	Hostel	ILU	Total
	\$	\$	\$
Revenue	1,500,530	48,566	1,549,096
Expenditure			
Depreciation	93,015	7,210	100,225
Repairs & Maintenance	44,464	6,747	51,212
Other	1,579,776	1,575	1,581,350
	1,717,255	15,532	1,732,787
Profit/(Loss) for the Year	(216,725)	33,034	(183,691)

These notes should be read in conjunction with the attached compilation report.

Detailed Profit and Loss Statement

Cypress View Lodge Limited For the year ended 30 June 2019

	2019	2018
Income		
Government Grants		
Personal Care	792,741	851,787
HCPS	232,440	211,994
Other	34,748	25,858
Total Government Grants	1,059,930	1,089,639
Resident Fee		
Lodge Accomodation	319,427	359,905
DAC DAP	46,065	33,020
Total Resident Fee	365,492	392,925
Rent		
ILU Apartments	48,546	52,139
Total Rent	48,546	52,139
Interest	47,182	46,631
Other	27,946	28,850
Total Income	1,549,096	1,610,184
Total Income	1,549,096	1,610,184
Expenses		
Employee Benefits		
Gross Wages	1,025,629	957,462
Superannuation	95,259	92,435
Other	47,892	84,967
Total Employee Benefits	1,168,780	1,134,864
Administration & Insurance		
Electricity	58,599	48,246
Insurance	13,427	15,672
Other	63,263	54,009
Total Administration & Insurance	135,289	117,927
Food & Housekeeping		
Food	75,182	76,492
Medical Supplies	23,379	27,709
Other	27,407	23,796
Total Food & Housekeeping	125,967	127,997
Depreciation	100,225	96,525
Strategic Planning	67,129	-
Repairs & Maintenance		
Repairs & Maintenance - Hostel	44,465	28,711

	2019	2018
Repairs & Maintenance - ILU	6,747	5,794
Total Repairs & Maintenance	51,212	34,505
Other		
HCPS Delivery Expenses	75,613	40,255
Board Expenses	343	25,199
Other	8,228	8,309
Total Other	84,185	73,763
Total Expenses	1,732,787	1,585,581
Profit/(Loss) for the year	(183,691)	24,603

Directors Declaration

Cypress View Lodge Limited For the year ended 30 June 2019

In accordance with a resolution of the directors of Cypress View Lodge Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 3 to 18, are in accordance with the Corporations Act 2001 and:

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the company.

2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

3. The company has complied, in all material respects, with the requirements of Division 3 of Part 4 of the User Rights Principles 1997 in the 2018-2019 financial year.

This statement is made in accordance with a resolution of the board of Directors.

Director: Lynne Stuckings

A handwritten signature in black ink, appearing to read "Lynne Stuckings", written over a horizontal line.

Director: Amanda Avery

A handwritten signature in black ink, appearing to read "Amanda Avery", written over a horizontal line.

CYPRESS VIEW LODGE LIMITED
ABN: 19 050 693 706

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CYPRESS VIEW LODGE LIMITED
AND THE SECRETARY, DEPARTMENT OF HEALTH & AGEING**

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Cypress View Lodge Limited (the company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the accompanying financial report of Cypress View Lodge Limited is in accordance with the Corporations Act 2001, including:

1. giving a true and view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards and the Corporations Regulations 2001.

The approved provider has complied with Division 3 of Part 4 of the User Rights Principles 1997 in the 2018-2019 financial year.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with auditor independence requirements of the Corporations Act 2001 and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Scope of Audit

1. Accommodation bonds contributions held
The Provider held 4 Accommodation Bonds at the end of the financial year with a value of \$680,146.
2. Refund of accommodation bond balances
The total number of accommodation bonds not refunded within the legislated timeframe was nil.
3. Allowable deductions from accommodation bond contribution balances
The total amount deducted from accommodation bond balances in accordance with section 57-19 of the Act was nil.
4. Limits on charging accommodation bonds
There was no period during the financial year where the Provider was not entitled to accept accommodation bonds.
5. Compliance with the Liquidity Standard
The amount required to ensure that the provider has sufficient liquidity to refund accommodation bonds as they fall due in the following 12 months was \$680,146.
The factors that the provider had regard to in determining the minimum level of liquidity:-
 - a. The amount of liquidity represents 100% of the total bonds liability
 - b. The total number of bonds held at the end of each financial year
 - c. The total value of Accommodation Bonds held at the end of the financial year
 - d. The average payout during the past financial year
 - e. The average number of payouts being made per year
 - f. The current average bond received
 - g. The enquiry rate and take up on available vacancies
 - h. Each year it is assumed that residents who have been in the facility a longer time will be those most likely to require payout. Therefore each year the amount of liquidity will be reflective of average bond held
 - i. Cypress View Lodge Limited policies

The form in which the provider maintained the minimum level of liquidity – The amount of liquidity is held in deposits with the Bendigo Bank. The Types of Account(s): Term Deposits, which provides funds at call. Any excess funds above the approved liquidity amount will be held as detailed: Term Deposit Accounts with the Bendigo Bank.
6. Compliance with Record Standard
The Provider has a written governance system implemented and mechanisms are in place to ensure it is kept up to date.
The Provider has written Policies in place setting out delegated authority to monitor and control the use of bonds.
The Provider does not have an Investment Management Strategy in place as cash funds are invested in Authorised Deposit-taking institutions.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and of our knowledge obtained in the audit or otherwise

appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the 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 in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

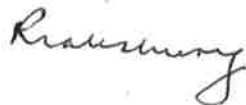
Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is 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. Misstatement 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 decision of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standard, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting 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 Company's using of the going concern basis of accounting and, based on the audit evidence obtain, 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluation of 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.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that I identify during my audit.



SALISBURY AUDIT SERVICES PTY LTD

Robert H Salisbury, BEc, FCA

Registered Company Auditor 2378

594 David Street, Albury NSW 2640

Dated 26th day of September 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF
CYPRESS VIEW LODGE LIMITED
ABN: 64 164 127 539
AND
TO THE SECRETARY, DEPARTMENT OF HEALTH AND AGEING**

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

- a. no contraventions of the auditor independence requirements as set out in Corporations Act 2001 in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.



SALISBURY AUDIT SERVICES PTY LTD
Robert H Salisbury, BEc, FCA
Registered Company Auditor 2378
594 David Street, Albury NSW 2640

Dated 26th day of September 2019

