

Financial Statements

Cypress View Lodge Limited
For the year ended 30 June 2020

Prepared by Salisbury Accountants

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Directors' Report

Cypress View Lodge Limited For the year ended 30 June 2020

Directors' Report

The Board presents its report on the entity for the financial year ended 30 June 2020.

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 Board Member	01/11/2008 - 19/02/2020 19/02/2020	Business & Directorship
Ms Amanda Avery	Secretary	16/1/2016	Communications & Graphic Design
Ms Monika Burgess	Board Member President	16/11/2016 - 19/02/2020 19/02/2020	Finance & Business
Ms Julie Woodman	Board Member	01/11/2008	Administration Management
Ms Briony Fattore	Board Member	16/11/2016 - 20/11/2019	Business WHS & Education
Mr Paul Clarke	Board Member	20/03/2019 - 20/11/2019	Finance & Compliance
Mr Graeme Rayner	Board Member	20/03/2019	Compliance & Infrastructure Management
Mrs Kylie Rossato	Board Member Vice President	20/11/2019 19/02/2020	Business & Education
Mrs Di Roberts	Board Member	20/11/2019	Business & Education

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	11	10
Ms Amanda Avery	11	9
Ms Monika Burgess	11	11
Ms Julie Woodman	11	8
Ms Briony Fattore	2	2
Mr Paul Clarke	8	5
Mr Graeme Rayner	11	10
Mrs Kylie Rossato	6	6
Mrs Di Roberts	4	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 \$167,398 (2019 \$183,691 loss).

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



Monika Burgess - Director

Date 28 / 10 / 2020



Amanda Avery - Director

Date 28 / 10 / 2020

Statement of Comprehensive Income

Cypress View Lodge Limited For the year ended 30 June 2020

	2020	2019
Operating Comprehensive Income		
(a) Revenue		
Government Grants	1,281,837	1,059,930
Accommodation & Rental Charges	523,505	414,038
Other	80,137	75,128
Total (a) Revenue	1,885,478	1,549,096
(b) Expenditure		
Employee Benefits	1,250,868	1,168,780
Administration & Insurance	143,593	135,289
Food & Housekeeping	135,026	125,967
Depreciation	100,847	100,225
Strategic Planning	-	67,129
Maintenance	41,647	51,212
Other	46,099	84,185
Total (b) Expenditure	1,718,081	1,732,787
Operating Comprehensive Profit/(Loss) before adjustment	167,398	(183,691)
(c) Adjustment		
- Sick Leave Policy Change	-	75,860
Total (c) Adjustment	-	75,860
Operating Comprehensive Profit/(Loss)	167,398	(107,831)
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	167,398	1,896,306

Assets and Liabilities Statement

Cypress View Lodge Limited As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Cash Equivalents	2	2,438,543	2,044,368
Trade and Other Receivables	3	77,107	47,553
Total Current Assets		2,515,650	2,091,921
Non-Current Assets			
Land and Buildings	4	2,457,783	2,510,000
Plant, Equipment and Vehicles	4	289,905	251,863
Total Non-Current Assets		2,747,688	2,761,862
Total Assets		5,263,338	4,853,784
Liabilities			
Current Liabilities			
Refundable Accommodation Deposit	5	944,374	680,146
Trade and Other Payables	6	39,169	80,526
Provision for Employee Entitlements	7	120,387	105,495
Total Current Liabilities		1,103,929	866,167
Non-Current Liabilities			
Provisions for Employee Entitlements	7	59,808	55,413
Total Non-Current Liabilities		59,808	55,413
Total Liabilities		1,163,737	921,580
Net Assets		4,099,601	3,932,203
Equity			
Retained Earnings		2,095,464	1,928,066
Reserves			
- Revaluation Surplus	4	988,517	988,517
- 1995 Capital Grant	8	1,015,620	1,015,620
Total Reserves		2,004,137	2,004,137
Total Equity		4,099,601	3,932,203

Statement of Changes in Equity

Cypress View Lodge Limited For the year ended 30 June 2020

Statement of Changes in Equity

	Retained Earnings	Land & Buildings Revaluation Surplus	1995 Capital Grant	Total
	\$	\$	\$	\$
Opening Balance	2,035,987	-	-	2,035,987
1 July 2018				
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	1,928,066	988,517	1,015,620	3,932,203
30 June 2019				
2020 Operating Profit (loss)	167,398	-	-	167,398
Closing Balance	2,095,464	988,517	1,015,620	4,099,601
30 June 2020				

Statement of Cash Flow

Cypress View Lodge Limited For the year ended 30 June 2020

Account	2020	2019
Operating Activities		
Receipts From Customers	1,824,983	1,515,738
Payments to Suppliers and Employees	(1,639,304)	(1,608,617)
Interest Received	30,940	47,182
Net Cash Flows from Operating Activities	216,619	(45,697)
Investing Activities		
Proceeds from sale of Property, Plant & Equipment	0	0
Payment for Property, Plant and Equipment	(86,672)	(22,969)
Net Cash Flows from Investing Activities	(86,672)	(22,969)
Cash flows from financing activities		
Borrowings - Net Increase in RAD's	264,228	(322,752)
Net Cash Flows from financing activities	264,228	(322,752)
Net Cash Flows	394,175	(391,418)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	2,044,368	2,435,786
Cash and cash equivalents at end of period	2,438,543	2,044,368
Net change in cash for period	394,175	(391,418)

Notes to the Financial Statements

Cypress View Lodge Limited For the year ended 30 June 2020

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 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 or 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 asset 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.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's 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 from 30 June 2019.

(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 \$944,374 (2019 - \$680,146) 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.

	2020	2019
2. Cash on Hand		
Bendigo Bank Bonds Liquidity Account	461,723	195,516
Bendigo Bank Operating Account	239,332	133,344
Bendigo Bank Solar Panel Account	153,675	75,628
Bendigo Bank Term Deposit # 726	113,793	111,364
Bendigo Bank Term Deposit #213	193,558	190,297

Bendigo Bank Term Deposit #446	247,048	242,955
Bendigo Bank Term Deposit #528	89,714	88,202
Bendigo Bank Term Deposit #677	86,381	168,902
Term Deposits Loan Security #152614988	145,531	143,120
Term Deposits Operating # 149762924	18,913	18,593
Term Deposits Operating # 150491850	456,767	449,050
Term Deposits Operating # 150599140	175,278	171,676
Term Deposits Operating # 151988730	56,830	55,720
Total Cash on Hand	2,438,543	2,044,368
	2020	2019

3. Trade and Other Receivables

Trade Receivables		
GST Account	3,106	5,410
Trade Debtors	57,414	32,466
Prepaid Expenses	10,425	3,266
Accrued Bank Interest	6,163	6,412
Total Trade Receivables	77,107	47,553
Total Trade and Other Receivables	77,107	47,553

4. Property Plant & Furniture

(a)

	2020	2019
Freehold land and buildings	\$	\$
Freehold Land		
- at cost	-	
- at valuation Note 4e	80,000	80,000
	80,000	80,000
Buildings		
- at cost	-	
- at valuation Note 4e	2,430,000	2,430,000
Accumulated depreciation	(52,217)	
Written Down Value	2,377,783	2,430,000
Freehold land & Buildings Total	2,457,783	2,510,000

(b)

Plant, equipment, furniture		
- at cost	746,768	660,096
Accumulated depreciation	(456,863)	(408,234)
Written Down Value	289,905	251,862

(c)

Total		
Cost	-	-
Cost or Valuation	3,256,768	3,170,096
Accumulated Depreciation	(509,080)	(408,234)
Written Down Value	2,747,688	2,761,862

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

	Freehold Land	Buildings	Plant, Equipment, Furniture	Total
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 1 July 2019				
At written down value	80,000	2,430,000	251,862	2,761,862
Additions	-	-	86,673	86,673
Disposals	-	-	-	-
Depreciation 2020	-	(52,217)	(48,630)	(100,847)
Balance 30 June 2020	80,000	2,377,783	289,905	2,747,688

(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 2020

	2020	2019
	\$	\$
4 RAD held @ 1 July 2019	680,146	1,232,898
2 RAD received	460,000	115,000
1 RAD repaid	(195,772)	(667,752)
5 RAD held 30 June 2020	944,374	680,146

6. Trade and Other Payables

Trade Payables

Trade Creditors	7,267	11,348
Total Trade Payables	7,267	11,348

Other Payables

Accrued Payroll - TIL	911	3,100
Wages Payable	(159)	36,706
Bendigo Business Credit Card	486	733
PAYGW	13,137	11,411
Accrued Expenses	5,745	8,866
Superannuation Payable	11,781	8,361
Total Other Payables	31,901	69,177

Total Trade and Other Payables	39,168	80,526
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7. Staff Leave Provisions

(a)

	2020	2019
	\$	\$
Current Liabilities-		
Annual Leave	100,387	83,945
Long Service Leave	20,000	21,550
Sick Leave	-	-
	120,387	105,495

Non-current Liability-		
Long Service Leave	59,807	55,413
Total Leave Provisions-		
Annual Leave	100,387	83,945
Long Service Leave	79,807	76,963
Sick Leave	-	-
	180,194	160,908

(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 since then.

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.

8. Non Current Liability

	2020	2019
	\$	\$
Capital Grants		
Commonwealth Government	--	

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.

From the 30 June 2019 the \$1,015,620 is no longer recorded as a liability, is included in equity as non operating/other comprehensive income, but is disclosed in note 9 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 or liability is anticipated.

10. Operating Results by Segment - Year Ended 30 June 2020

	Hostel	ILU	Total
	\$	\$	\$
Revenue	1,833,547	51,931	1,885,478
Expenditure			
Depreciation	93,910	6,315	100,225
Repairs & Maintenance	38,681	2,966	51,212
Other	1,573,330	2,879	1,576,209
	1,705,921	12,160	1,718,081
Profit/(Loss) for the Year	127,626	39,771	167,398

Detailed Profit and Loss Statement

Cypress View Lodge Limited For the year ended 30 June 2020

	2020	2019
Income		
Government Grants		
Personal Care	1,022,322	792,741
HCPS	119,779	232,440
Other	165,969	34,748
Total Government Grants	1,308,070	1,059,930
Resident Fee		
Lodge Accomodation	384,206	319,427
DAC DAP	87,368	46,065
Total Resident Fee	471,574	365,492
Rent		
ILU Apartments	51,931	48,546
Total Rent	51,931	48,546
Interest	30,475	47,182
Other	23,428	27,946
Total Income	1,885,478	1,549,096
Total Income	1,885,478	1,549,096
Expenses		
Employee Benefits		
Gross Wages	1,068,583	1,025,629
Superannuation	104,414	95,259
Other	77,871	47,892
Total Employee Benefits	1,250,868	1,168,780
Administration & Insurance		
Electricity	50,458	58,599
Insurance	18,578	13,427
Other	74,556	63,263
Total Administration & Insurance	143,593	135,289
Food & Housekeeping		
Food	81,377	75,182
Medical Supplies	19,577	23,379
Other	34,072	27,407
Total Food & Housekeeping	135,026	125,967
Depreciation	100,847	100,225
Strategic Planning	-	67,129
Repairs & Maintenance		
Repairs & Maintenance - Hostel	38,680	44,465

	2020	2019
Repairs & Maintenance - ILU	2,966	6,747
Total Repairs & Maintenance	41,647	51,212
Other		
HCPS Delivery Expenses	37,629	75,613
Board Expenses	228	343
Other	8,016	8,228
Total Other	45,872	84,185
Marketing & Communication Plan	227	-
Total Expenses	1,718,081	1,732,787
Profit/(Loss) for the year	167,398	(183,691)

Directors Declaration

Cypress View Lodge Limited For the year ended 30 June 2020

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 17, 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 2020 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 2019-2020 financial year.

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

Director: Monika Burgess  28/10/2020

Director: Amanda Avery  28/10/2020

CYPRESS VIEW LODGE LIMITED
ABN: 64 164 127 539

**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 2020, 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 2020 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 2019-2020 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 5 Accommodation Bonds at the end of the financial year with a value of \$944,374.
2. **Refund of accommodation bond balances 1**
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 \$944,374.
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 policiesThe 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 2020, 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.

RSalisbury

RSalisbury (Oct 23, 2020 16:04 GMT+11)

SALISBURY AUDIT SERVICES PTY LTD

Robert H Salisbury, BEc, FCA

Registered Company Auditor 2378

594 David Street, Albury NSW 2640

Dated 30th day of September 2020

**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 2020 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.

RSalisbury

RSalisbury (Oct 23, 2020 16:04 GMT+11)

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

Dated 30th day of September 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of Cypress View Lodge Limited and the Secretary of the Department of Health.

Report on Cypress View Lodge Limited's compliance with the Aged Care Act 1997 and the *Fees and Payments Principles 2014 (No.2)*.

We have audited the compliance of Cypress View Lodge Limited with the requirements of Part 5 of the *Fees and Payments Principles 2014 (No.2)* (Fees and Payments Principles) for the period 1 July 2019 to 30 June 2020.

Opinion

In our opinion, Cypress View Lodge Limited has complied, in all material respects, with the requirements of Part 5 of the *Fees and Payments Principles 2014 (No.2)* for the period 1 July 2019 to 30 June 2020.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Guide, we are required to report all instances of non-compliance with the requirements of the Act and the Fees and Payments Principles by Cypress View Lodge Limited that came to our attention during the course of our audit.

Directors' Responsibility

The directors of Cypress View Lodge Limited are responsible for compliance with the Act and the Fees and Payments Principles and for such internal control as the directors determine is necessary for compliance with the Act and the Fees and Payments Principles. The responsibilities of the directors include requirements under the Act and the Fees and Payments Principles for the preparation and presentation of the Annual Prudential Compliance Statement (APCS) and the compliance with the Prudential Standards contained within the Fees and Payments Principles.

Auditor's Responsibility

Our responsibility is to form and express an opinion on Cypress View Lodge Limited's compliance, in all material respects, with the prudential requirements of the Act and the Fees and Payments Principles.

Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements (ASAE 3100 *Compliance Engagements*), issued by the Auditing and Assurance Standards Board and with the requirements of the Department of Health as set out in the Guide to the Audit of the Approved Provider's Compliance with the Prudential Requirements (the Guide). Our audit has been conducted to provide reasonable assurance that Cypress View Lodge Limited has complied with the requirements of the Fees and Payments Principles. ASAE 3100 requires that we comply with relevant ethical requirements.

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Guide. The audit procedures have been undertaken to form an opinion on compliance of Cypress View Lodge Limited with Part 5 of the Fees and Payments Principles. Audit procedures include obtaining evidence

relating to refundable deposits, accommodation bonds and entry contributions held; refunds of refundable deposits, accommodation bond balances and entry contributions; limits on charging refundable deposits, accommodation bonds; compliance with the Prudential Standards relating to liquidity, records, governance and disclosure; and use of refundable deposits and accommodation bonds.

Use of Report and Restriction on Distribution

This auditor's report has been prepared for the directors of Cypress View Lodge Limited and the Secretary of the Department of Health for the purpose of fulfilling the requirements of the Disclosure Standard. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors and the Secretary of the Department of Health, or for any purpose other than that for which it was prepared. Our report is intended for the directors of Cypress View Lodge Limited and the Secretary of the Department of Health and should not be distributed to other parties.

Inherent Limitations

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or non-compliance may occur and not be detected. And audit is not designed to detect all instances of non-compliance with the requirements of the Act and Fees and Payments Principles, as the audit procedures are not performed continuously throughout the year and are undertaken on a test basis.

The auditor's opinion expressed in this report has been formed on the above basis.

RSalisbury

RSalisbury (Oct 23, 2020 16:04 GMT+11)

Robert Henry Salisbury BEc, FCA, JP
594 David Street Albury NSW 2640
Registered Company Auditor #2378
9 October 2020


Cypress_View_Lodge_Limited_-_Financial_Statements 2020 (1)


Final Audit Report


2020-10-23

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