

Financial Statements

Cypress View Lodge Limited
For the year ended 30 June 2021

Prepared by Salisbury Accountants

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Directors's Report

Cypress View Lodge Limited For the year ended 30 June 2021

Directors's Report

The Board presents its report on the entity for the financial year ended 30 June 2021.

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	Board Member	01/11/2008	Business & Directorship
Ms Amanda Avery	Secretary	16/1/2016-19/11/2020	Communications & Graphic Design
Ms Monika Burgess	President Board Member	19/02/2020 16/11/2016	Finance & Business
Ms Julie Woodman	Board Member	01/11/2008 -19/11/2020	Administration Management
Mr Graeme Rayner	Secretary Board Member	16/12/2020 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 - 22/06/2021	Business & Education
Mrs Amanda Mannes	Board Member	19/11/2020 - 28/06/2021	Health & Business
Mrs Monica Whelan	Board Member	19/11/2020	Clinical
Ms Airlie Hoskins	Board Member	19/11/2020	Finance & Business
Mr Geoff Askew	Board Member	19/11/2020	Governance, Business, Risk Management and Resilience
Ms Michelle Brain	Board Member	19/11/2020	Finance & Business

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	8
Ms Amanda Avery	4	4
Ms Monika Burgess	11	11
Ms Julie Woodman	4	3
Ms Graeme Rayner	11	10
Mrs Kylie Rossato	11	10

Mrs Di Roberts	11	8
Mrs Amanda Mannes	7	6
Mrs Monica Whelan	7	5
Ms Airlie Hoskins	7	4
Mr Geoff Askew	7	6
Ms Michelle Brian	7	4

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.

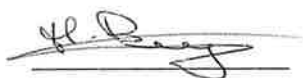
Significant Changes

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 \$38,695 (2020 \$167,398 Profit).

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



Monika Burgess - President

Date 6 / 10 / 2021



Graeme Rayner - Secretary

Date 6 / 10 / 2021

Statement of Comprehensive Income

Cypress View Lodge Limited For the year ended 30 June 2021

	2021	2020
Operating Comprehensive Income		
(a) Revenue		
Government Grants	1,288,946	1,168,334
Accommodation & Rental Charges	565,102	523,505
Other	35,027	193,640
Total (a) Revenue	1,889,075	1,885,478
(b) Expenditure		
Employee Benefits	1,292,499	1,250,868
Administration & Insurance	144,321	143,593
Food & Housekeeping	139,550	135,026
Depreciation	108,161	100,847
Strategic Planning	82,246	-
Maintenance	40,500	41,647
Other	43,101	46,099
Total (b) Expenditure	1,850,380	1,718,081
Operating Comprehensive Profit/(Loss) before adjustment	38,695	167,398
Operating Comprehensive Profit/(Loss)	38,695	167,398
Total Comprehensive Income for the year	38,695	167,398

Assets and Liabilities Statement

Cypress View Lodge Limited As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	2	3,272,683	2,438,543
Trade and Other Receivables	3	83,332	77,107
Total Current Assets		3,356,016	2,515,650
Non-Current Assets			
Land and Buildings	4	2,405,566	2,457,783
Plant, Equipment and Vehicles	4	330,694	289,905
Total Non-Current Assets		2,736,260	2,747,688
Total Assets		6,092,276	5,263,338
Liabilities			
Current Liabilities			
Refundable Accommodation Deposit	5	1,684,374	944,374
Trade and Other Payables	6	61,607	39,169
Provision for Employee Entitlements	7	148,191	120,387
Total Current Liabilities		1,894,172	1,103,929
Non-Current Liabilities			
Provisions for Employee Entitlements	7	59,808	59,808
Total Non-Current Liabilities		59,808	59,808
Total Liabilities		1,953,980	1,163,737
Net Assets		4,138,296	4,099,601
Equity			
Retained Earnings		2,134,159	2,095,464
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		4,138,296	4,099,601

Statement of Changes in Equity

Cypress View Lodge Limited For the year ended 30 June 2021

Statement of Changes in Equity

	Retained Earnings	Land & Buildings Revaluation Surplus	1995 Capital Grant	Total
	\$	\$	\$	\$
Opening Balance 1 July 2019	1,928,066	988,517	1,015,620	3,932,203
2020 Operating Profit (loss)	167,398	-	-	167,398
Other Comprehensive non operating income				
Land & Building Revaluation Surplus	-	-	-	-
Transfer capital grant liability to equity	-	-	-	-
Retrospective adjustment on change in accounting policy for sick leave.	-	-	-	-
Closing Balance 30 June 2020	2,095,464	988,517	1,015,620	4,099,601
2021 Operating Profit (loss)	38,695	-	-	38,695
Closing Balance 30 June 2021	2,134,159	988,517	1,015,620	4,138,296

Statement of Cash Flow

Cypress View Lodge Limited
 For the year ended 30 June 2021

Account	2021	2020
Operating Activities		
Receipts From Customers	1,868,940	1,824,983
Payments to Suppliers and Employees	(1,691,728)	(1,639,304)
Interest Received	13,910	30,940
Net Cash Flows from Operating Activities	191,122	216,619
Investing Activities		
Proceeds from sale of Property, Plant & Equipment	0	0
Payment for Property, Plant and Equipment	(96,982)	(86,672)
Net Cash Flows from Investing Activities	(96,982)	(86,672)
Cash flows from financing activities		
Borrowings - Net Increase in RAD's	740,000	264,228
Net Cash Flows from financing activities	740,000	264,228
Net Cash Flows	834,140	394,175
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	2,438,543	2,044,368
Cash and cash equivalents at end of period	3,272,683	2,438,543
Net change in cash for period	834,140	394,175

Notes to the Financial Statements

Cypress View Lodge Limited For the year ended 30 June 2021

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.

	2021	2020
2. Cash on Hand		
Bendigo Bank Bonds Liquidity Account	1,382,882	461,723
Bendigo Bank Operating Account	156,701	239,332
Bendigo Bank Solar Panel Account	131,724	153,675
Bendigo Bank Term Deposit # 726	114,658	113,793
Bendigo Bank Term Deposit #213	195,822	193,558

Bendigo Bank Term Deposit #446	249,865	247,048
Bendigo Bank Term Deposit #538	90,894	89,714
Bendigo Bank Term Deposit #677	86,694	86,381
Term Deposits Loan Security #152614988	147,190	145,531
Term Deposits Operating # 149762924	19,150	18,913
Term Deposits Operating # 150491850	462,892	456,767
Term Deposits Operating # 150599140	177,174	175,278
Term Deposits Operating # 151988730	57,036	56,830
Total Cash on Hand	3,272,683	2,438,543
	2021	2020

3. Trade and Other Receivables

Trade Receivables		
GST Account	13,831	3,106
Trade Debtors	64,285	57,414
Prepaid Expenses	4,158	10,425
Accrued Bank Interest	1,058	6,163
Total Trade Receivables	83,332	77,107
Total Trade and Other Receivables	83,332	77,107

4. Property Plant & Furniture

(a)

	2021	2020
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	(104,434)	(52,217)
Written Down Value	2,325,566	2,377,783
Freehold land & Buildings Total	2,405,566	2,457,783

(b)

Plant, equipment, furniture		
- at cost	800,776	746,768
Accumulated depreciation	(470,082)	(456,863)
Written Down Value	330,694	289,905

(c)

Total		
Cost	-	-
Cost or Valuation	3,310,776	3,256,768
Accumulated Depreciation	(574,516)	(509,080)
Written Down Value	2,736,260	2,747,688

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

	Freehold Land	Buildings	Plant, Equipment, Furniture	Total
Balance 30 June 2019	80,000	2,430,000	251,862	2,761,862
Additions	-	-	86,673	86,673
Disposals/writeoff	-	-	-	-
Depreciation 2020	-	(52,217)	(48,630)	(100,847)
Subtotal WDV	80,000	2,377,783	289,905	2,747,688
Revaluation Increment				
Balance 1 July 2020				
At written down value	80,000	2,377,783	289,905	2,747,688
Additions	-	-	96,982	96,982
Disposals	-	-	-	
Depreciation 2021	-	(52,217)	(56,193)	(108,410)
Balance 30 June 2021	80,000	2,325,566	330,694	2,736,260

(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 2021

	2021	2020
	\$	\$
5 RAD held @ 1 July 2020	944,374	680,146
4 RAD received	920,000	460,000
1 RAD repaid	(180,000)	(195,772)
8 RAD held 30 June 2021	1,684,374	944,374

2021 2020

6. Trade and Other Payables

Trade Payables

Trade Creditors	7,629	7,267
Total Trade Payables	7,629	7,267

Other Payables

Accrued Payroll - TIL	1,473	911
Wages Payable	9,611	(159)
Bendigo Business Credit Card	657	486
PAYGW	17,451	13,137
Accrued Expenses	12,654	5,745
Superannuation Payable	12,131	11,781
Total Other Payables	53,978	31,901

Total Trade and Other Payables	61,606	39,168
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7. Staff Leave Provisions

(a)

	2021	2020
	\$	\$
Current Liabilities-		
Annual Leave	110,067	100,387
Long Service Leave	38,124	20,000
Sick Leave	-	-
	148,191	120,387

Non-current Liability-		
Long Service Leave	59,808	59,808
Total Leave Provisions-		
Annual Leave	110,067	100,387
Long Service Leave	97,931	79,807
Sick Leave	-	-
	207,998	180,194

(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 2021 for the first time and consideration will be given to inclusion of other on costs next year.

8. Non Current Liability

	2021	2020
	\$	\$
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 2021

	Hostel	ILU	Total
	\$	\$	\$
Revenue	1,833,338	55,737	1,889,075
Expenditure			
Depreciation	102,624	5,537	108,161
Repairs & Maintenance	39,510	991	40,501
Other	1,698,500	3,218	1,701,718
	1,840,634	9,746	1,850,380
Profit/(Loss) for the Year	(7,296)	45,991	38,695

11. Pre Program Funding Term Deposit

Cypress View Lodge Limited holds as trustee funds which were raised by the community prior to government funding agreements being signed. These funds are held to assist with the financing of the construction of new buildings not covered by funding agreements. These funds total \$165,227 (2020 \$163,364) and are held in an interest bearing term deposit with the Bendigo Bank, and are not included in the balance sheet.

Detailed Profit and Loss Statement

Cypress View Lodge Limited For the year ended 30 June 2021

	2021	2020
Income		
Government Grants		
Personal Care	1,070,123	1,022,322
HCPS	124,287	119,779
Other	94,536	26,233
Total Government Grants	1,288,946	1,168,334
Resident Fee		
Lodge Accomodation	374,896	384,206
DAC DAP	69,702	87,368
Other	64,766	-
Total Resident Fee	509,364	471,574
Rent		
ILU Apartments	55,737	51,931
Total Rent	55,737	51,931
Interest	13,910	30,475
Other	21,117	163,165
Total Income	1,889,075	1,885,478
Total Income	1,889,075	1,885,478
Expenses		
Employee Benefits		
Gross Wages	1,114,134	1,068,583
Superannuation	100,528	104,414
Other	77,837	77,871
Total Employee Benefits	1,292,499	1,250,868
Administration & Insurance		
Electricity	39,648	50,458
Insurance	19,815	18,578
Other	84,858	74,556
Total Administration & Insurance	144,321	143,593
Food & Housekeeping		
Food	77,382	81,377
Medical Supplies	21,984	19,577
Other	40,184	34,072
Total Food & Housekeeping	139,550	135,026
Depreciation	108,161	100,847
Repairs & Maintenance		
Repairs & Maintenance - Hostel	39,261	38,680

	2021	2020
Repairs & Maintenance - ILU	1,240	2,966
Total Repairs & Maintenance	40,500	41,647
Other		
HCPS Delivery Expenses	36,546	37,629
Board Expenses	523	228
Other	88,279	8,016
Total Other	125,348	45,872
Marketing & Communication Plan	-	227
Total Expenses	1,850,380	1,718,081
Profit/(Loss) for the year	38,695	167,398

Directors Declaration

Cypress View Lodge Limited For the year ended 30 June 2021

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 2021 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 2020-2021 financial year.

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

Director: Monika Burgess  _____

Date: 6th October 2021

Director: Graeme Rayner  _____

Date: 6th October 2021

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 2021, 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 2021 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 8 Accommodation Bonds at the end of the financial year with a value of \$1,684,374.
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 \$1,684,374.
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 2021, 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 7, 2021 20:26 GMT+11)

SALISBURY AUDIT SERVICES PTY LTD

Robert H Salisbury, BEc, FCA

Registered Company Auditor 2378

594 David Street, Albury NSW 2640

Dated 7th day of October 2021

**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 2021 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 (Oct 7, 2021 20:26 GMT+11)

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

Dated 7th day of October 2021