ASSISI
AGED CARE

Assisi Centre Limited

FINANCIAL REPORT
YEAR ENDED 30 JUNE 2019

ABN 33 929 275 686

ACN 623 564 429

NAP's ID 467

ASSISI CENTRE LIMITED

CONTENTS

DIRECTORS' REPORT

The directors present their report on the Company and its controlled entity for the financial year ended 30 June 2019.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Donato Smarrelli, Chairman

Sauro Antonelli

Vito Cassisi

Adrian Finanzio

Nadia Gianello

Clare Grieveson (Appointed 30 August 2018)

Frank Gucciardo (Resigned 26 June 2019)

Tonina Gucciardo-Masci (Resigned 11 July 2019)

Paulo Lostia

Don Pasquariello

Rick Rostolis

Antonio Salce

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The operating deficit of the Company for the financial year amounted to $335,260 (2018: Surplus $167,643). The Company generated an operating cash surplus of $1,393,243 (2018: $2,046,471).

A review of the operations of the Company during the financial year demonstrates revenue from government subsidies was higher than the previous corresponding period as a result of the temporary increase in funding rates which offset the below trend occupancy period during the year. Increased revenue was exceeded by higher staff costs from increased numbers accompanying increased wage rates and other care related costs, responding to the care needs of residents, contributing to the deficit result for the year. The Royal Commission into Aged Care Quality and Safety increased the administrative burden on the Company during the year also impacting on the result.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the Company during the financial year were the provision of residential aged care, principally to the Italian community.

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

Events Subsequent to the End of the Reporting Period

Other than that disclosed in Note 19 of the financial statements, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

The Company will continue to pursue its strategic objectives to provide high quality aged care as a not-for-profit operation. The Company will to continue to explore maximising income sources available and improving cost efficiency consistent with the delivery of high-quality care to residents and services to the community.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

The Company is limited by guarantee and its Constitution precludes the payments of dividends.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Information on Directors

Assisi Aged Care was formed as an Incorporated Association in 1990 with a Committee of Management. On 2nd January 2018 the Association converted to a Company Limited by Guarantee, Assisi Centre Limited. The date of appointment for each director is the 2nd January 2018 unless appointed subsequently.

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Donato Smarrelli

Don is the principal of Lawcorp Lawyers, which he founded in 1979. In addition, he assists many community organisations, including his current role as Chairman of Assisi Centre Limited. During his time at Assisi, Don has been a very active member of the Board and has been involved in many initiatives and projects for the benefit of the Assisi community. Don is also a current board member for the Centre for Multicultural Youth (CMY), a not-for-profit organisation supporting young people from migrant and refugee backgrounds to build better lives in Australia. In 2005 Don was appointed a member of the Council for Multicultural Australia being an advisory body to the Federal Government for raising awareness and understanding of multiculturalism. In 1990 he was a founding member and subsequent President of the Toccolan Club, an Italian community organisation focused on fundraising for medical research. Don was awarded a Medal of the Order of Australia (OAM) in 2007 for services to multiculturalism and the community. Don is a member of the Clinical Governance Committee.

Sauro Antonelli

Sauro has been involved with Assisi Aged Care since its inception in 1990 and was the inaugural Secretary of the organisation's Committee of Management. Sauro has been President of the Assisi Board over two periods covering a total of seven years, including having the honour of hosting the then President of the Italian Republic, Oscar Luigi Scalfaro, in his visit to the Centre, during the President's tour of Australia.

In recognition of Sauro's work in the Italian community over a period of more than 40 years, especially in the aged care field, Sauro was awarded the Medal in the Order of Australia (AM) in 2008.

Sauro has a Commerce degree from the University of Melbourne and was made Cavaliere Ufficiale by the Italian Government in recognition of his work on behalf of the Italian community. Sauro is a member of the Strategic Development Committee.

Vito Cassisi

Vito was chairman of the development committee responsible for the extension and redevelopment of Assisi Aged Care which was completed in 2014. Vito is a member of the current strategic development committee. Holding qualifications in Architecture, Vito has been a practicing architect with over 40 years of experience. Vito is currently an examiner of the Architects Registration Board of Victoria and a member of the National Visiting Panel, University Schools of Architecture in Australia and New Zealand. Vito is also a board member of CO.AS.IT. and a former board member of the Italian Service Institute and Villa Maria.

Adrian Finanzio

Adrian is a barrister who practices extensively in the field of town planning, environment and local government. He is also an experienced director, having served as Vice-President of the Victorian Planning and Environmental Law Association (a multi-disciplinary industry body) for 12 years. He currently serves as a member of the board of Barristers' Chambers Limited (the company that owns and operates chambers for the Victorian Bar) and the Legal Profession Liability Committee (the principal insurer of the legal profession in Victoria). Adrian chairs the Strategic Development Committee.

Nadia Gianello

Nadia was appointed to the Assisi Board in 2012. She holds a BA Degree majoring in Italian from the University of Melbourne. Nadia has been a travel consultant with MirabelIa Travel since its virtual inception and has been manager of the two offices for nearly 26 years, negotiating contracts between the agency & various international airlines & whoIesalers. Nadia was also on the board of the Italian Chamber of Commerce in Melbourne from 2000 untiI 2008. She has maintained the membership of the ICCI and is also a member of the Veneta Club, Co.As.It and Vicentini nel Mondo Club. Nadia has over 45 years' experience in travel with vast corporate and Ieisure based clients.

Clare Grieveson (Appointed 30 August 2018)

Clare is Executive Director Quality, Safety and Innovation at Mercy Health where she is responsible for the overall leadership and direction of staff safety, WorkCover, consumer experience, quality, clinical risk, service improvement and innovation for the organisation's hospital, aged care and home care services. Clare has a clinical background and Bachelor's Degree in speech pathology, a Master's Degree in Health Service Management, a Graduate Certificate in Leadership and Catholic Culture and over 20 years' experience in the health industry, including senior management roles at Monash Health and the Victorian Department of Health and Human Services. She is an Associate Fellow of the Australasian College of Health Service Management and Graduate of the Australian Institute of Company Directors. Clare chairs the Clinical Governance Committee.

Paulo Lostia

Paul has previuosly held a number of senior positions in the Finance Industry. He has worked for many years in the Italo-Australian Community developing and supporting voluntary Community Projects, most notably, as President of the Sardinian Cultural Association. Paul's career and personal convictions have given him a sound understanding of the importance of the provision of high quality aged care in a caring, diligent and financially effective manner, which meets the needs of residents and their families.

Don Pasquariello

Don is the Chairman of the Finance, Audit & Risk Committee. He is a senior partner of Deloitte, one of the world's largest professional services and advisory, with over 36 years of professional experience including 24 years as a partner.
Don has a strong understanding of public and private company reporting, risk management and the complexities associated with management of the audit of multi-national operations of Australian listed companies.
A Fellow of The Institute of Chartered Accountants Australia, Don holds a Bachelor of Commerce from the University of Melbourne. He is also a Board Director of Jesuit Education Australia Limited.

Rick Rostolis

Rick is a member of the Finance, Audit and Risk Committee. Rick is the Chief Financial Officer (CFO) of Pro-Pac Packaging Limited, an ASX listed packaging company, where he has management accountability for corporate functions including finance, commercial management and investor relations.
Previously Rick was the Chief Executive Officer (CEO) of SMS Management & Technology Limited, an ASX listed IT services company. Rick has previously held various senior executive roles at ASX listed companies.
Rick holds a Bachelor of Business in Accountancy and is a Fellow of the Institute of Chartered Accountants Australia & New Zealand.

Antonio Salce

Tony is a practicing lawyer, with over 25 years' experience, specialising in Family Law. Tony is also a Nationally Accredited Mediator. He is a member of the Law Institute of Victoria and a member of the Family Law Council of Australia. Tony is also a previous board member of the Queen Elizabeth Centre, Melbourne.

Meetings of Directors

During the financial year the following meetings of directors were held and attendance by each director is detailed:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Donato Smarrelli, Chairman	14	14
Sauro Antonelli	14	12
Vito Cassisi	14	12
Adrian Finanzio	14	10
Nadia Gianello	14	9
Clare Grieveson (Appointed 30 August 2018)	13	13
Frank Gucciardo (Resigned 26 June 2019)	13	7
Tonina Gucciardo-Masci (Resigned 11 July 2019)	14	10
Paulo Lostia	14	12
Don Pasqariello	14	10
Rick Rostolis	14	11
Antonio Salce	14	8

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 32 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director ....

Donato Smarrelli

Dated this 30 day of September 2019

ASSISI CENTRE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
Revenue	**2**	14,952,816	14,658,700
Expenses			
Employee Benefits		10,292,360	9,647,497
Depreciation and Amortisation		1,799,098	1,801,260
Catering Provisions		573,415	569,053
Facility Cleaning and Maintenance		629,383	737,545
Resident Care and Support Programs		700,464	639,486
Other Costs of Accommodation		437,948	424,811
Communication and Administration		792,010	622,378
Other		63,398	49,027
Total Expenses		15,288,076	14,491,057
Operating (Deficit)/Surplus for the Year		(335,260)	167,643
Other Comprehensive Income for the Year		-	-
Total Comprehensive (Loss)/Income for the Year		(335,260)	167,643
Total comprehensive (loss)/income attributable to members of the entity		(335,260)	167,643

The accompanying notes form part of these financial statements.

ASSISI CENTRE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019	2018
		$	$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	37,826,734	30,037,556
Trade and Other Receivables	4	2,228,345	4,205,372
Prepayments		138,850	171,296
TOTAL CURRENT ASSETS		40,193,929	34,414,224
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	58,966,162	59,959,663
Intangible Assets	6	4,800,000	4,800,000
TOTAL NON-CURRENT ASSETS		63,766,162	64,759,663
TOTAL ASSETS		**103,960,091**	**99,173,887**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	1,110,328	610,913
Employee Benefits	8	1,536,054	1,534,532
Financial Liabilities	9	48,016,540	43,446,218
TOTAL CURRENT LIABILITIES		50,662,922	45,591,663
NON-CURRENT LIABILITIES			
Employee Benefits	8	245,665	195,460
TOTAL NON CURRENT LIABILITIES		245,665	195,460
TOTAL LIABILITIES		**50,908,587**	**45,787,123**
NET ASSETS		**53,051,504**	**53,386,764**
EQUITY			
Retained Surplus		9,263,726	9,598,986
Asset Revaluation Reserve	12	43,787,778	43,787,778
TOTAL EQUITY		**53,051,504**	**53,386,764**

The accompanying notes form part of these financial statements.

ASSISI CENTRE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Surplus	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2017	9,431,343	43,787,778	53,219,121
Surplus attributable to members	167,643	-	167,643
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	167,643	-	167,643
Balance at 30 June 2018	**9,598,986**	**43,787,778**	**53,386,764**
Deficit attributable to members	(335,260)	-	(335,260)
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Loss for the Year	(335,260)	-	(335,260)
Balance at 30 June 2019	**9,263,726**	**43,787,778**	**53,051,504**

The accompanying notes which form part of these financial statements.

ASSISI CENTRE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Residents and Government		13,639,482	13,840,173
Payments to Suppliers and Employees		(12,939,298)	(12,594,530)
Chapel Ceremonies		7,256	8,398
Committee Fundraising		70,292	57,647
Donations and Grants Received		30,967	63,494
Interest Received		485,360	565,178
Rental Income		99,184	106,111
Net Cash Provided by Operating Activities	**13**	**1,393,243**	**2,046,471**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(807,989)	(900,541)
Proceeds from disposal of Property Plant & Equipment		247	227
Net cash used in investing activities		**(807,742)**	**(900,314)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in Trust Funds held on behalf of residents		1,463	(4,802)
Repayment of Refundable Accommodation Deposits and Bonds		(7,966,430)	(11,658,667)
Proceeds from Refundable Accommodation Deposits		15,168,644	14,318,240
Net cash provided by financing activities		**7,203,677**	**2,654,771**
Net Increase in Cash and Cash Equivalents		**7,789,178**	**3,800,928**
Cash and Cash Equivalents at beginning of financial year		**30,037,556**	**26,236,628**
Cash and Cash Equivalents at end of financial year	**3**	**37,826,734**	**30,037,556**

1. Statement of Significant Accounting Policies

General information

The financial statements cover Assisi Centre Limited as an individual entity. Assisi Centre Limited is a public company limited by guarantee under the *Corporations Act 2001* and is registered with the Australian Charities and Not-for-Profit Commission (ACNC) as a charity. The financial statements are presented in Australian dollars which is Assisi Centre Limited's functional and presentation currency.

The financial statements were authorised for issue on 30 September 2019.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012* . The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, (modified, where applicable by the measurement of selected non-current assets, financial assets and financial liabilities). The amounts presented in the financial statements have been rounded to the nearest dollar.

Significant accounting policies

The significant accounting policies have been consistently applied to all years presented, unless otherwise stated.

Going concern

As at 30 June 2019, the Company is in a deficit current net working capital position of $10,468,993 (2018: $11,177,439). Included in current liabilities are resident funded loans of $48,016,540 (2018: $43,446218) in the form of resident refundable accommodation deposits and bonds.

Notwithstanding the above, the financial statements have been prepared on a going concern basis due to the rolling nature of resident funded loans such that the repayment of a bond is offset by a new resident funded incoming loan. Refer also to note 1(d), detailing the historical turnover statistics.

New Standard adopted as at 1 July 2018

AASB 9 *Financial Instruments* became mandatorily effective on 1 July 2018. Accordingly, this standard applies for the first time to this set of financial statements. The nature and effect of changes arising from this standard is summarised in the below.

AASB 9 *Financial Instruments* replaces AASB 139 *'Financial Instruments: Recognition and Measurement'* . The new Standard makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The Company's adoption of AASB 9 has not had a material effect on the Company. The Company has changed its financial instruments accounting policies, please refer to Note 1(e).

Financial instrument as at 30/6/18	**AASB 139 measurement**	**AASB 9 classification**	**Carrying amount as at 30 June 2018 under AASB**	**Carrying amount as at 1 July 2018 under AASB**
Trade and Other Receivables	Loans and other receivables at amortised cost	Trade receivables at amortised cost	$4,205,372	$4,205,372
Trade and Other Payables	Trade payables at amortised cost	Trade payables at amortised cost	$610,913	$610,913
Financial Liabilities	Amortised cost	Amortised cost	$43,446,218	$43,446,218

Statement of Significant Accounting Policies (continued)

a. Income Tax

The Company is a charitable institution, therefore, tax effect accounting has not been applied as the Company is exempt from Income Tax under Div. 50 - 5 of the *Income Tax Assessment Act 1997*, as amended. The Company is also exempt from Capital Gains Tax and Fringe Benefits Tax.

b. 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 impairment losses.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

The last independent valuation was performed by CBRE on 30 June 2017 whereby the freehold land and buildings were reflected at fair value.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity.

Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation decreases.

All other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

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

In the event the carrying amount is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in the profit and loss.

A formal assessment of recoverable amount is made when impairment indicators are present (refer to note 1(f) for details of impairment).

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

Depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

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

	Depreciation rate	Method of depreciation
Furniture and Fittings	10-50%	Written Down Value
Office Equipment	15-50%	Written Down Value
Plant and Equipment	10-50%	Written Down Value
Motor Vehicles	22.50%	Written Down Value
Building at valuation	4%	Straight line

The independent valuation was performed in 2017.

The assets' residual values and lives are reviewed and adjusted, if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

Statement of Significant Accounting Policies (continued)

c. Intangibles

Bed Licences

Approved Provider Aged Care Places (Bed Licences)

Bed licences are issued by the Federal Government to approved providers of aged care. Holders of bed licences receive Federal Government funding in accordance with predetermined rates. These licences also can be purchased from and sold to third parties. As an approved provider of aged care places, the Company has recorded bed licences at fair value at the date of transition to AIFRS. This value has been taken as a deemed cost. While the Company remains as a provider of aged care services, the bed licences continue to be assessed to have an indefinite life to which no provision for amortisation is required. Bed licences are tested for impairment annually. Impairment is determined by assessment of the recoverable amount of the asset.

The Directors have determined the recoverable amount of the bed licences as fair value less costs of disposal.

d. Residents' Refundable Accommodation Deposits and Accommodation Bonds

Refundable Accommodation Payments (RADs)/Accommodation bonds are non-interest bearing deposits made by aged care residents to the Company upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/Accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997* .

The rolling nature of resident funded loans is such that the repayment of a bond is offset by a new resident

	2019	2018
	$	$
Residents’ RADs/Accommodation Bonds	48,016,540	43,446,218
Repayments of RADs/accommodation bonds	(7,966,430)	(11,658,667)
RADs/accommodation bonds received	15,168,644	14,318,240
Net accommodation payments received	7,202,214	2,659,573

e. Financial Instruments

Accounting Policy applicable from 1 July 2018

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions to the instrument.

Financial instruments (except trade and other receivables) are initially recognised at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain any significant financing component.

Statement of Significant Accounting Policies (continued)

e. Financial Instruments (continued)

(i) Financial Assets at Amortised Cost

All financial assets are subsequently classified and measured at amortised cost when both of the following criteria are met:

- the business model's objective is to hold the financial asset to collect contractual cash flows; and
- the contractual cash flows consist solely of payments of principal and interest.

(ii) Financial Liabilities at Amortised Cost

A financial liability are subsequently measured at amortised cost or fair value through profit and loss. The Group has only financial liabilities at amortised cost using the effective interest rate method.

(iii) Impairment of Financial Assets

Impairment of financial assets is recognised based on the lifetime expected credit loss which is determined when the credit risk on a financial asset has increased significantly since initial recognition. In order to determine whether there has been a significant increase in credit risk since initial recognition, the entity compares the risk of default as at the reporting date with risk of default as at initial recognition using reasonable and supportable data, unless the financial asset is determined to have a low credit risk at the reporting date.

For trade and other receivables, the simplified approach is used, which requires recognition of a loss allowance based on the lifetime expected credit losses. As a practical expedient, the Company uses a provision matrix based on historical information and adjusted for forward looking estimates in order to determine the lifetime expected credit losses.

Accounting policy for comparative period 30 June 2018

Initial Recognition and Measurement

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

Financial instruments that are applicable to the Company are initially measured at fair value plus transaction costs.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to note 1 (o)), at amortised cost using the effective interest method, or at cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to the expected future net cash flows will necessitate an adjustment to the carrying amount with a consequent recognition of an income or expense item in the profit or loss.

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortised process and when the financial asset is derecognised.

(ii) Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the Financial liability is derecognised.

Statement of Significant Accounting Policies (continued)

e. Financial Instruments (continued)

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or group of debtors are experiencing significant financial difficulty, default or delinquency or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly recognised.

Derecognition

Financial assets are derecognised when the contractual right of cash expires or if the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the obligations are discharged or cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and the value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash generating unit.

Where it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

g. Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are recognised in the current liabilities in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled with 12 months of the reporting date are recognised in current liabilities, provided there is unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to expected future age and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on the national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Statement of Significant Accounting Policies (continued)

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in the Statement of Financial Position.

i. Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Fees and Subsidies

Non-reciprocal subsidy revenue is recognised in profit or loss when the entity obtains control of the subsidy and it is probable that the economic benefits gained from the subsidy will flow to the entity and the amount of the subsidy can be measured reliably.

If conditions are attached to the revenue which must be satisfied before it is eligible to receive the contribution, the recognition of the revenue will be deferred until those conditions have been met.

When revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the revenue is recognised as income on receipt.

Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

Donations

Donations and bequests are recognised as revenue when received.

Interest

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

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

j. Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of the cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

k. Trade and Other Receivables

Accounting policy applicable from 1 July 2018

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at their transaction price (unless there is a significant financing component) less lifetime expected credit losses and subsequently measured at amortised cost using the effective interest method.

Trade receivables are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated.

Refer to Note 1(e) for further discussion on the determination of impairment losses on financial assets.

Statement of Significant Accounting Policies (continued)

k. Trade and Other Receivables (continued)

Accounting policy for comparative period- 30 June 2018

Trade and other receivables include amounts due from customers for services provided in the ordinary course of business. Receivables expected to be collected within twelve months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Receivables are recognised at amortised cost, less any provision for impairment.

l. Trade and Other Payables

Trade and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which remain unpaid.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability and not discoounted.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or the production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

n. Comparative Figures

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

o. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Directors continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. The Directors bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believe reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumption that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities (refer the respective notes) within the next financial year are discussed below.

Valuation of bed licences

The Directors have performed a review of the fair value of bed licences by evaluating conditions specific to the entity that may lead to the impairment of the Bed Licences. The Directors have assessed the fair value of the bed licences with reference to the fair value less cost to sell in an observable market and are satisfied that the recoverable amount is in excess of the carrying value.
No impairment has been recognised at 30 June 2019.

Employee benefits provision

As discussed in note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Statement of Significant Accounting Policies (continued)

p. Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value has been determined by an independent external valuation of the property at 30 June 2017 on the basis in Note 5 Property Plant and Equipment. The Directors have assessed the value of the property at 30 June 2019, taking into account factors and market conditions evident at the reporting date. Changes in market conditions in the future may impact the fair value in the future.

q. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 15 *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

Statement of Significant Accounting Policies (continued)

q. New Accounting Standards for Application in Future Periods

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

The directors expect that the income statement and the statement of financial position of the entity will not be impacted on the date of initial application of the standard due to the above mentioned changes in accounting policy.

AASB 16 *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

AASB 16 will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116 *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The entity has no leases at 30 June 2019. If the entity enters into any leases in the future, the directors expect that the adoption of AASB 16 will require recognition of right of use assets and lease liabilities for some of the leases, while other leases will be exempt because they are of low value

AASB 1058 *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1st January 2019)

AASB 1058 applies to transactions where the consideration to purchase an asset is significantly less than its fair value in order to support the entity to further its objectives. It also applies to volunteer services.

The following are the key requirements in this standard:

1. Income arising from the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets, and revenue should be immediately recognised in profit or loss. For this purpose assets, liabilities and revenue are to be measured in accordance with the applicable standard;

2. A liability is recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with other standards. This liability has to be amortised to profit or loss as the entity satisfies its obligations under the transfer; and

Statement of Significant Accounting Policies (continued)

3. An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contribution by owners or revenue) should be immediately recognised in profit or loss.

The transitional provisions of this Standard permit an entity to either restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions* .

The directors expect that the income statement of the entity will not be impacted due to immediate recognition of income as opposed to deferral of certain amounts as per the existing accounting policies of the entity relating to certain non-contractual grants and donations received.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard amends AASB 1, AASB 16, AASB 117, AASB 1049 and AASB 1058 to provide a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

This standard is not expected to have a material impact on the financial statements of the entity on adoption as the Company has no exsisting leases as at 30 June 2019.

ASSISI CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$

2. Revenue

Government Subsidies		10,109,824	9,804,100
Resident Fees		2,700,902	2,659,263
Daily Accommodation Payments		873,016	837,750
Retention Fees Received - Accommodation Bonds		16,490	43,931
Resident Accommodation Charges		17,289	69,502
Interest on RADs receivable		219,896	298,086
Interest Received / Receivable		768,342	631,544
Net Rental Income		99,184	106,111
Chapel Ceremonies		7,256	8,398
Fundraising Super Raffle		-	6,409
Central Committee Fundraising		70,292	57,647
Sundry Donations		30,967	63,494
Montessori Grant		-	23,215
Other Recoveries		39,358	49,250
		14,952,816	**14,658,700**

3. Cash and Cash Equivalents

Cash at Bank		37,823,734	30,034,556
Cash on Hand		3,000	3,000
		37,826,734	**30,037,556**

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents		**37,826,734**	**30,037,556**

4. Trade and Other Receivables

Current

Receivables		655,346	75,716
Refundable Accommodation Deposits		1,280,000	3,850,000
GST Recoverable		76,934	18,023
Interest Receivable		216,065	261,633
		2,228,345	**4,205,372**

5. Property, Plant & Equipment

	2019	2018
	$	$
Land (at Fair Value)		
At Independent Valuation	24,700,000	24,700,000
Buildings (at Fair Value)		
At Independent Valuation	33,650,000	33,650,000
Accumulated Depreciation	(2,692,000)	(1,346,000)
Total	30,958,000	32,304,000
Buildings at cost		
Buildings improvements - at Cost	99,689	42,214
Accumulated Depreciation	(1,777)	-
Total	97,912	42,214
Total Property	55,755,912	57,046,214

Revaluations

A formal independent valuation was undertaken by CBRE on 30 June 2017. The value of $58,350,000 has been determined on the basis of going concern fair value on the operation of Assisi Centre Limited fully funded and incorporating accommodation bond profile.

At 30 June 2019, the directors have performed a director's valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by he valuers in 2017 and do not believe there has been significant change in the assumptions as at 30 June 2019. The directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs of disposal as at 30 June 2019. Refer to Note 1 for detailed disclosures regarding the fair value measurement of the Company's freehold land and buildings.

Charges over Property

The following charges exist over the property at 230 Rosanna Road, Rosanna:

* A charge under the Retirement Villages Act 1986
* Security for the following National Australia Bank facilities:

	2019	2018
	$	$
Bond Liquidity	5,000,000	5,000,000
Asset Finance	500,000	500,000
Other Transaction Facilities	1,000,000	1,000,000
	6,500,000	**6,500,000**

5. Property, Plant & Equipment (Continued)

	2019	2018
	$	$
Plant & Equipment - at Cost	2,823,224	2,541,736
Accumulated Depreciation	(1,382,155)	(1,192,912)
	1,441,069	1,348,824
Furniture & Fittings - at Cost	1,979,766	1,818,806
Accumulated Depreciation	(1,290,309)	(1,095,406)
	689,457	723,400
Office Equipment - at Cost	444,929	405,202
Accumulated Depreciation	(341,573)	(295,172)
	103,356	110,030
Chapel Assets - at Cost	35,736	35,736
Accumulated Depreciation	(20,557)	(18,893)
	15,179	16,843
Motor Vehicles - at Cost	155,115	145,270
Accumulated Depreciation	(121,919)	(114,662)
	33,196	30,608
Capital Works in Progress	927,993	683,744
Total Property, Plant & Equipment	**58,966,162**	**59,959,663**

5. Property, Plant & Equipment (continued.)

Movements in carrying amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year:

	Balance at 1 July 2018	Additions	Revaluation	Proceeds on Disposal	Disposals /Transfers	Depreciation	Carrying Amount at 30 June 2019
Land at Fair Value	24,700,000	-	-	-	-	-	24,700,000
Buildings at Fair Value	32,304,000	-	-	-	-	(1,346,000)	30,958,000
Buildings at Cost	42,214	57,475	-	-	-	(1,777)	97,912
Plant and Equipment	1,348,824	289,732	-	-	(159)	(197,328)	1,441,069
Furniture and Fittings	723,400	165,545	-	-	(2,330)	(197,158)	689,457
Office Equipment	110,030	41,143	-	(247)	344	(47,914)	103,356
Chapel Assets	16,843	-	-	-	-	(1,664)	15,179
Motor Vehicles	30,608	9,845	-	-	-	(7,257)	33,196
Capital Works in Progress	683,744	244,249	-	-	-	-	927,993
Total	**59,959,663**	**807,989**	**-**	**(247)**	**(2,145)**	**(1,799,098)**	**58,966,162**

	2019	2018
	$	$

6. Intangibles

	2019	2018
Approved Provider Bed Licences (at Deemed Cost)	4,800,000	4,800,000
Total Intangible Assets	4,800,000	4,800,000

7. Trade and Other Payables

	2019	2018
Current		
Trade Payables	514,091	300,586
Other Payables and Accrued Charges	305,287	79,190
Deferred Income	24,959	29,901
Loan - Resident Trust Monies	9,793	8,330
Accrued Expenses - Payroll Costs	256,198	192,906
	1,110,328	**610,913**

8. Employee Benefits

	2019	2018
Current		
Provision for Annual Leave	1,070,942	969,518
Provision for Long Service Leave	465,112	565,014
	1,536,054	**1,534,532**
Non-Current		
Provision for Long Service Leave	**245,665**	**195,460**
Analysis of Employee Provisions		
Opening balance	1,729,992	1,544,874
Additional provisions	835,862	737,288
Amounts used	(784,135)	(552,170)
Closing balance	**1,781,719**	**1,729,992**

9. Financial Liabilities

	2019	2018
Current		
Residents' RADs and Accommodation Bonds	**48,016,540**	**43,446,218**

Assisi Centre Limited has a Stand-By Facility of $5,000,000 with the National Australia Bank to provide sufficient liquidity to cover any large repayments of RADs/accommodation bonds to residents.

10. Remuneration of Auditor

	2019	2018
	$	$
Remuneration of the auditor of the Company for:		
- Auditing services	29,000	28,500

11. Contingent Liabilities

The Company had no contingent assets or contingent liabilities as at 30 June 2019 and 30 June 2018.

12. Reserves

The asset revaluation reserve records revaluation of land and buildings.

13. Cash Flow Information

	2019	2018
	$	$
Reconciliation of Cash Flow from Operations with Surplus		
Operating Surplus (Deficit)	(335,260)	167,643
Non Cash Flows in surplus		
Depreciation and Amortisation	1,799,098	1,801,260
Disposal of fixed assets	2,145	(206)
Bond Retentions, interest and fees deducted	61,893	(83,898)
Changes in Assets & Liabilities		
(Increase)/Decrease in Receivables	(703,415)	116,693
(Increase)Decrease in Interest Receivable	45,568	(30,994)
(Increase) Decrease in GST Recoverable	(58,911)	18,346
Increase (Decrease) in Prepayments	32,446	(37,639)
(Decrease) Increase in Trade Payables	213,505	7,765
Increase (Decrease) in Prepaid Income	(4,942)	(20,513)
Increase in Provision for Employee Entitlements	51,727	163,118
Increased (Decrease) in Accrued Expenses	289,389	(55,104)
Cash Flows from operations	**1,393,243**	**2,046,471**

14. Related Parties

During the year ended 30 June 2019 there were no transactions with, amounts receivable from or payable to related parties, loans to or from related parties (2018:nil).

Key Management Personnel Compensation

The Key Management Personnel comprises the Chief Executive Officer, the Director of Care and the Chief Financial Officer. Total remuneration and benefits included in Employee Benefits in the Statement of Comprehensive Income paid to Key Management Personnel during the year totalled $611,717 (2018: $546,779).

15. Capital Commitments

At 30 June 2019 the Company had commitments of $163,800 (2018: $223,800) for expenditure on architects and consultants for the preparation of plans and submissions for planning permission for construction of retirement living apartments and associated amenities and further extension of the residential aged care accommodation.

16. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable, resident's RADs and Accommodation Bonds.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 $	2018 $
Financial assets			
Financial assets at amortised cost:			
- cash and cash equivalents	3	37,826,734	30,037,556
- trade and other receivables	4	2,228,345	4,205,372
Total financial assets		40,055,079	34,242,928
Financial liabilities			
Financial liabilities at amortised cost			
- trade and other payables	7	1,110,328	610,913
- residents' Entry RADs and Accommodation Bonds	9	48,016,540	43,446,218
Total financial liabilities		49,126,868	44,057,131

17. Fair Value Measure

The Company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition. The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2019 $	2018 $
Recurring fair value measurements			
Non-financial assets			
Land	5	24,700,000	24,700,000
Buildings	5	33,650,000	33,650,000
Total non-financial assets recognised at fair value		58,350,000	58,350,000

Fair value of the land and buildings is based on valuation performed by independent, professionally-qualified property valuers. Refer to Note 5 for more details.

18. Member's Guarantee

Assisi Centre Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $1.00 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is $162 (2018:$162).

19. Events after the Balance Date

The Company's current three-year Residential Aged Care Accreditation is subject to review by December 2019. The process of review is in progress by the the Aged Care Quality Accreditation Agency against new Aged Care Standards. As at the date of this report Directors have no reason to believe the accreditation will not be renewed.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, or the Company's state of affairs in future financial years.

20. Segment Reporting

The Company, as an approved provider, operates in one business and geographical segment being the provision of residential aged care facilities in Rosanna, Victoria and this General Purpose Financial Report therefore relates only to such operations.

21. Company Details

The registered office of the Company is:
Assisi Centre Limited
230 Rosanna Road
ROSANNA VIC 3084

The principal place of business is:
Assisi Centre Limited
230 Rosanna Road
ROSANNA VIC 3084

Assisi Centre Limited

ABN 33 929 275 686

ACN 623 564 429

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 27, are in accordance with the *Australian Charities and Not-for-profits Commission Act* 2012 and:

    a. comply with Accounting Standards - Reduced Disclosure Requirements; and

    b. 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 directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Donato Smarrelli

Director

Don Pasquariello

Director

Dated this 30 September 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASSISI CENTRE LIMITED

Opinion

We have audited the financial report of Assisi Centre 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, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We 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.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 2 October 2019

ShineWing Australia
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Auditor's Independence Declaration to the directors of Assisi Centre Limited

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

(i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 30 September 2019