



EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2020

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EVERGREEN LIFE CARE LIMITED**ABN 95 003 777 259****FINANCIAL REPORT - 30 JUNE 2020****DIRECTORS' REPORT**

Evergreen Life Care Limited is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors present the report on Evergreen Life Care Limited for the financial year ended June 2020 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

J Roberts (*Chair*)

A Keith

P McHugh

R Carter

J Floyd (*appointed 27 August 2020*)

L Kildey (*resigned 5 November 2019*)

L Rainford (*resigned 5 November 2019*)

Company Secretary: Helen Wilson

PRINCIPAL ACTIVITY

The principal activities of Evergreen Life Care Limited during the financial year were to provide quality Care, Services and Accommodation in an Australian Environment, to Veterans' and older persons within our community.

There were no significant changes in the nature of the activities during the year.

OPERATING RESULT

The operating surplus of the company for the financial year amounted to \$120,235 (2019: \$1,774,024). The company is a not-for-profit entity and is exempt from the payment of income tax.

EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 pandemic, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

There have been no other material events subsequent to balance date

SHORT TERM OBJECTIVES

The company's short term objectives are to:

- Assist residents to maintain their independence and chosen lifestyle
- Continually improve quality and standard of care and service provided
- Provide a range of quality affordable housing for older persons in a secure, attractive and convenient neighbourhood
- Provide Quality Care and Support Services to the wider community
- Provide a sense of Community among older persons in a supportive, caring and stimulating environment
- Be innovative in approaching new services and strive towards professional excellence

EVERGREEN LIFE CARE LIMITED**ABN 95 003 777 259****FINANCIAL REPORT - 30 JUNE 2020****DIRECTORS' REPORT****LONG TERM OBJECTIVES**

The company's long term objectives are to:

- Establish and maintain relationships that foster social inclusion and self-worth for older persons within our community
- Be sustainable and strive for continuous improvement so as to offer the best possible outcomes for those requiring our assistance

STRATEGIES TO ACHIEVE OBJECTIVES

To achieve these objectives, the company has adopted the following strategies:

- We believe people are paramount. We will foster cooperation, open communication, commitment and honesty in all our dealings to create an environment of being a preferred provider. We strive to be responsible stewards of the resources we have and the responsibilities we have in the care of all our people and possessions
- We strive for integrity in everything we do. We adopt the highest ethical standards in our interactions and dealings with all people
- We believe our residents and clients are our priority. Our collective effort and resources will be focused on achieving excellence in service
- We strive in the pursuit of excellence and for continuous improvement in all that we do. We will encourage suggestions for improvement in all that we do. We will encourage suggestions for improvement and opportunities for innovation to enhance our service, operations and care

MEETINGS OF DIRECTORS

The name of Directors holding office during the financial year and the number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

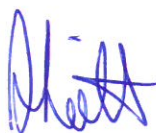
	Eligible	Attended
J Roberts	11	11
A Keith	11	10
P McHugh	11	8
R Carter	11	10
L Kildey *	4	2
L Rainford *	4	3

** resigned during the year*

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



J Roberts
Chair



A Keith
Chair of Finance Committee

Gosford, 24 September 2020

EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Cash and cash equivalents	7	7,785,668	6,388,642
Trade and other receivables	8	173,146	261,440
Investment property	9	53,114,096	52,920,000
Capital work in progress	10	421,245	80,324
Property, plant and equipment	11	12,272,523	12,006,872
Intangible assets	12	49,367	73,441
TOTAL ASSETS		73,816,045	71,730,719
LIABILITIES			
Trade and other payables	13	2,259,216	1,859,603
Refundable loans expected to be paid within 12 months	14	10,189,256	9,789,229
Provisions expected to be paid within 12 months	15	936,495	1,098,676
Refundable loans expected to be paid after 12 months	14	38,783,979	37,503,079
Provisions expected to be paid after 12 months	15	165,677	118,945
TOTAL LIABILITIES		52,334,623	50,369,532
NET ASSETS		21,481,422	21,361,187
FUNDS			
Accumulated funds		21,481,422	21,361,187
TOTAL FUNDS		21,481,422	21,361,187

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	4	11,897,864	11,979,126
Other income	4	-	3,843,297
		<u>11,897,864</u>	<u>15,822,423</u>
Expenses			
Administration		(1,387,302)	(1,461,380)
Catering and food supplies		(553,871)	(481,644)
Cleaning and laundry expenses		(220,404)	(247,982)
Depreciation and amortisation	5	(721,735)	(718,419)
Impairment loss		-	(3,070,000)
Insurance		(99,892)	(76,963)
Finance costs	5	(18,982)	(43,093)
Maintenance costs		(169,250)	(177,395)
Non operating expenses		(178,650)	(141,804)
Resident expenses		(388,933)	(392,102)
Salaries and employee benefits		(7,634,372)	(6,804,685)
Utilities		(351,221)	(432,932)
		<u>(11,724,612)</u>	<u>(14,048,399)</u>
Surplus (deficit) before COVID-19 net effect		173,252	1,774,024
COVID-19 net effect	6	(53,017)	-
Surplus before income tax		120,235	1,774,024
Income tax expense		-	-
Surplus for the year		120,235	1,774,024
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>120,235</u></u>	<u><u>1,774,024</u></u>

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Funds \$	Total \$
Balance at 1 July 2018	19,587,163	19,587,163
Comprehensive income		
Surplus for year	1,774,024	1,774,024
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,774,024</u>	<u>1,774,024</u>
Balance at 30 June 2019	<u>21,361,187</u>	<u>21,361,187</u>
Balance at 1 July 2019	21,361,187	21,361,187
Comprehensive income		
Surplus for year	120,235	120,235
Other comprehensive income	-	-
Total comprehensive income for the year	<u>120,235</u>	<u>120,235</u>
Balance at 30 June 2020	<u>21,481,422</u>	<u>21,481,422</u>

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers and government		10,892,549	11,923,399
Payments to suppliers and employees		(11,581,698)	(11,968,043)
Interest received		82,743	79,356
Interest paid		(18,982)	(43,093)
<i>Net cash flows from operating activities</i>		<u>(625,388)</u>	<u>(8,381)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment - residential		(388,116)	(1,314,150)
Purchase of capital work in progress - other		(984,324)	-
Purchase of investment property		(194,096)	(652,696)
<i>Net cash flows from investing activities</i>		<u>(1,566,536)</u>	<u>(1,966,846)</u>
Cash flows from financing activities			
Proceeds from refundable accommodation deposits		5,242,694	9,413,256
Proceeds from refundable entry contributions		3,181,397	4,186,509
Repayment of refundable accommodation deposits		(4,226,823)	(7,140,925)
Repayment of refundable entry contributions		(608,318)	(2,784,252)
<i>Net cash flows from financing activities</i>		<u>3,588,950</u>	<u>3,674,588</u>
Net increase in cash and cash equivalents		1,397,026	1,699,361
Cash and cash equivalents at the beginning of the financial year		<u>6,388,642</u>	<u>4,689,281</u>
Cash and cash equivalents at the end of the financial year	7	<u>7,785,668</u>	<u>6,388,642</u>

The accompanying notes form part of these financial statements

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2020**Note 1 - Reporting entity**

The financial report includes the financial statements and notes of Evergreen Life Care Limited. Evergreen Life Care Limited is registered under the *Australian Charities and Not-for-profits Commission Act*.

The financial statements were approved by the Board of Directors on 24 September 2020.

Note 2 - Basis of preparation**Statement of compliance**

Evergreen Life Care Limited adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirement*.

These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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.

Basis of measurement

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

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments 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.

Key estimates**Impairment**

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

EVERGREEN LIFE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements

Several new accounting standards and interpretations are mandatory for the 30 June 2020 reporting period. These include:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*

The adoption of AASB 15 and AASB 1058 has not resulted in any changes to the company's recognition of revenue and accordingly has not materially impacted the company's financial statements.

AASB 16 Leases

AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the statement of financial position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. The company does not have any leases that meet the recognition criteria of the standard.

New standards and interpretations not yet adopted

There are no other new accounting standards and interpretations expected to have any significant impact on the company's financial report that are issued and not yet applicable.

Presentation of Statement of Financial Position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds and refundable accommodation deposits) as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (AASB 101 *Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income tax

Evergreen Life Care Limited is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

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 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.

EVERGREEN LIFE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 - Significant accounting policies (continued)

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

Grants, donations and bequests

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the company obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the company; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accrual's basis.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

Investment property

Property classified as being for investment purposes, essentially being those land and buildings which attract a financial return to the facility predominantly through rental and capital appreciation, is measured at fair value, determined periodically by the Directors, and is not depreciated.

The company reviews the fair value of the investment property every two (2) years to determine as to whether there has been any movement in the fair value. The fair value of the investment property as been determined with reference to the average current selling price of the independent living units.

Any gains or losses arising from changes in fair value and/or on disposal are included in the net surplus for the period. Costs incurred in relation to the improvement and refurbishment of investment property is charged to the statement of profit or loss and other comprehensive income and expensed during the period in which they are incurred. Investment properties are revalued annually by the Directors to its fair value, based on the most recent market valuations and by reference to current market indications.

EVERGREEN LIFE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 - Significant accounting policies (continued)

Independent living unit leases

Evergreen Life Care Limited has issued leases ranging from 20 years to 98 years to residents of the independent living units and apartments of the village development.

Lease agreements are issued to residents and contain provisions therein for an interest free loan for the term of the lease from the residents and a departure fee calculated per annum for a minimum of five to ten years or part thereof if the lessee vacates the unit or dies within the ten years, a sum equal to a multiple of 2.5% to 6% by the number of years or part thereof in residence at the village.

For leases entered into prior to March 2000, if the resident should vacate the unit and transfer their entitlement to the use of the unit, then any increase in the value of the unit upon its re-lease, is divided equally between Evergreen Life Care Limited and the exiting resident after allowing for the deduction of the departure fee.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Impairment

Property, plant and equipment including land and buildings are subject to the company's policy for impairment review whereby an asset is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation and amortisation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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:

Buildings	2.5%
Equipment	10% - 25%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2020**Note 3 - Significant accounting policies (continued)*****Intangible assets******Software***

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of three years.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade 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 amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

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. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Resident entry contributions

Resident entry contributions are received from residents of independent living units and they are non-interest bearing and the net amount is repayable upon departure or transfer. Resident entry contributions are measured at the principle amount net of any retentions or any other amounts deducted from the loan at the election of the resident, plus the resident's share of the capital gains (if any) based on the market value of the underlying property at balance date. The repayment of contributions to residents including capital gains and net of any retention will be funded largely by contributions from incoming residents.

Refundable accommodation deposits and resident accommodation bonds

Refundable accommodation deposits and resident accommodation bonds are non-interest bearing deposits made by aged care facility residents to the entity upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Accommodation bonds are measured at the principal amount net of any retentions or any other amounts deducted from the bond at the election of the resident.

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2020**Note 3 - Significant accounting policies (continued)*****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 entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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 either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie 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.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

EVERGREEN LIFE CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<u>Note 4 - Revenue</u>		
Residential aged care services		
Government subsidies and recurrent grants	6,543,004	6,576,176
Resident fees and charges	2,116,646	1,918,653
Daily accommodation payments	343,974	385,344
	<u>9,003,624</u>	<u>8,880,173</u>
Retirement villages		
Resident fees and charges	1,000,626	931,872
Retentions from resident entry contributions	1,509,087	1,738,090
	<u>2,509,713</u>	<u>2,669,962</u>
Other services		
Donations	1,513	185
Interest income - other	65,895	79,356
Rental income	56,047	54,792
Other revenue	261,072	294,658
	<u>384,527</u>	<u>428,991</u>
<i>Total revenue</i>	<u>11,897,864</u>	<u>11,979,126</u>
Other income		
Fair value gain on investment property	-	3,843,297
<i>Total other income</i>	<u>-</u>	<u>3,843,297</u>
<i>Total revenue and other income</i>	<u>11,897,864</u>	<u>15,822,423</u>
<u>Note 5 - Expenses</u>		
Depreciation and amortisation		
Buildings	386,736	363,734
Equipment	298,199	317,463
Motor vehicles	12,726	13,319
Software	24,074	23,903
<i>Total depreciation and amortisation</i>	<u>721,735</u>	<u>718,419</u>
Impairment - trade receivables	21,754	-
Finance costs	18,982	43,093
<u>Note 6 - COVID-19</u>		
Government non-recurrent subsidy	139,841	-
Expenses incurred	(192,858)	-
<i>Total COVID-19 net effect</i>	<u>(53,017)</u>	<u>-</u>

EVERGREEN LIFE CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<u>Note 7 - Cash and cash equivalents</u>		
Cash at bank and on hand	3,035,668	3,388,642
Short term deposits	4,750,000	3,000,000
<i>Total cash and cash equivalents</i>	<u>7,785,668</u>	<u>6,388,642</u>
<u>Note 8 - Trade and other receivables</u>		
<u>Expected to be received within 12 months</u>		
Trade receivables	34,028	27,214
Provision for impairment	(21,754)	-
	<u>12,274</u>	<u>27,214</u>
Other receivables	57,761	141,493
Prepayments	103,111	92,733
<i>Total trade and other receivables</i>	<u>173,146</u>	<u>261,440</u>
<u>Provision for impairment</u>		
Opening net carrying amount	-	-
Increase (decrease) in provision	21,754	-
Closing net carrying amount	<u>21,754</u>	<u>-</u>
<u>Note 9 - Investment property</u>		
Investment properties at fair value	53,114,096	52,920,000
<i>Total investment property</i>	<u>53,114,096</u>	<u>52,920,000</u>
<u>Movements in carrying amount</u>		
Opening net carrying amount	52,920,000	48,206,116
Additions	194,096	870,587
Fair value gain (loss)	-	3,843,297
Closing net carrying amount	<u>53,114,096</u>	<u>52,920,000</u>
<u>Note 10 - Capital work in progress</u>		
Cost - residential	421,245	80,324
<i>Total capital work in progress</i>	<u>421,245</u>	<u>80,324</u>
<u>Movements in carrying amounts</u>		
Opening net carrying amount	80,324	464,796
Additions	984,324	844,874
Reclassification	(643,403)	(1,229,346)
Closing net carrying amount	<u>421,245</u>	<u>80,324</u>

EVERGREEN LIFE CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 11 - Property, plant and equipment

	Land \$	Buildings \$	Equipment \$	Motor Vehicles \$	Total \$
At 30 June 2019					
Cost	1,572,069	15,214,438	2,570,973	337,541	19,695,021
Accumulated depreciation	-	(5,837,001)	(1,573,856)	(277,292)	(7,688,149)
<i>Net carrying amount</i>	<u>1,572,069</u>	<u>9,377,437</u>	<u>997,117</u>	<u>60,249</u>	<u>12,006,872</u>
Movements in carrying amounts					
Opening net carrying amount	1,572,069	9,377,437	997,117	60,249	12,006,872
Additions - residential	-	126,917	261,199	-	388,116
Disposals	-	(68,207)	-	-	(68,207)
Reclassification	-	643,403	-	-	643,403
Depreciation charge for the year	-	(386,736)	(298,199)	(12,726)	(697,661)
Closing net carrying amount	<u>1,572,069</u>	<u>9,692,814</u>	<u>960,117</u>	<u>47,523</u>	<u>12,272,523</u>
At 30 June 2020					
Cost	1,572,069	15,916,549	2,832,175	337,541	20,658,334
Accumulated depreciation	-	(6,223,735)	(1,872,058)	(290,018)	(8,385,811)
<i>Net carrying amount</i>	<u>1,572,069</u>	<u>9,692,814</u>	<u>960,117</u>	<u>47,523</u>	<u>12,272,523</u>

Note 12 - Intangible assets**Software**

	2020 \$	2019 \$
Cost	107,154	107,154
Accumulated depreciation	(57,787)	(33,713)
<i>Total intangible assets</i>	<u>49,367</u>	<u>73,441</u>

Movements in carrying amounts

Opening net carrying amount	73,441	97,344
Amortisation charge for the year	(24,074)	(23,903)
Closing net carrying amount	<u>49,367</u>	<u>73,441</u>

Note 13 - Trade and other payablesExpected to be settled within 12 months

Trade and other payables	276,320	309,191
Liabilities to employees	893,696	796,459
Refundable accommodation deposits payable	406,900	440,635
Refundable entry contributions payable	682,300	313,318
<i>Total trade and other payables</i>	<u>2,259,216</u>	<u>1,859,603</u>

EVERGREEN LIFE CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
Note 14 - Refundable loans		
<u>Expected to be settled within 12 months</u>		
Refundable accommodation deposits	5,686,541	5,390,766
Refundable entry contributions	4,502,715	4,398,463
	<u>10,189,256</u>	<u>9,789,229</u>
<u>Expected to be settled after 12 months</u>		
Refundable accommodation deposits	13,268,597	12,578,455
Refundable entry contributions	25,515,382	24,924,624
	<u>38,783,979</u>	<u>37,503,079</u>
<i>Total refundable loans</i>	<u>48,973,235</u>	<u>47,292,308</u>
(a) Movement in refundable accommodation deposits		
Opening net carrying amount	17,969,221	15,732,751
RADs received	5,242,694	9,413,256
Allowable deductions	(63,689)	(91,399)
RADs refunded	(4,193,088)	(7,085,387)
Closing net carrying amount	<u>18,955,138</u>	<u>17,969,221</u>
(b) Movement in refundable entry contributions		
Opening net carrying amount	29,323,087	29,658,920
Contributions received	3,181,397	4,186,509
Retentions	(1,509,087)	(1,738,090)
Contributions refunded	(977,300)	(2,784,252)
Closing net carrying amount	<u>30,018,097</u>	<u>29,323,087</u>

(c) Terms and conditions

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

EVERGREEN LIFE CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
Note 15 - Provisions		
<u>Expected to be settled within 12 months</u>		
Employee entitlements - long service leave	134,495	169,677
Capital gains payable	802,000	928,999
	<u>936,495</u>	<u>1,098,676</u>
<u>Expected to be settled after 12 months</u>		
Employee entitlements - long service leave	165,677	118,945
	<u>165,677</u>	<u>118,945</u>
<i>Total provisions</i>	<u>1,102,172</u>	<u>1,217,621</u>
Movements in carrying amounts		
Opening net carrying amount	1,217,621	1,417,291
Movement in provision	(115,449)	(199,670)
Closing net carrying amount	<u>1,102,172</u>	<u>1,217,621</u>
Note 16 - Cash flow information		
Reconciliation of surplus for the year to net cash flows from operations		
Surplus for the year	120,235	1,774,024
<i>Adjustments for:</i>		
Depreciation	721,735	718,419
Asset-write off	68,207	-
Impairment - intangible assets		3,070,000
Impairment - trade receivables	21,754	-
Fair value (gain) loss on investment property	-	(3,843,297)
Retentions from resident entry contributions	(1,509,087)	(1,738,090)
Allowable refundable accommodation deposit deductions	(63,689)	(91,399)
<i>Changes in assets and liabilities</i>		
(Increase) decrease in trade and other receivables	76,918	57,500
(Increase) decrease in prepayments	(10,378)	(43,029)
(Decrease) increase in trade and other payables	64,366	6,603
(Decrease) increase in provisions	(115,449)	80,888
Net cash from operating activities	<u>(625,388)</u>	<u>(8,381)</u>

EVERGREEN LIFE CARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020****Note 17 - Commitments****(a) Capital commitments**

Capital expenditure commitments contracted for at balance date:	594,074	617,151
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(b) Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements as follows:

Within one year	28,862	111,480
Later than one year but not later than five years	8,931	37,793
	<u>37,793</u>	<u>149,273</u>

The company has a number of short-term and low-value leases that are exempt under AASB 16 Leases.

Note 18 - Key management personnel**Remuneration of key management personnel**

The aggregate amount of compensation paid to key personnel during the year was:	603,870	329,467
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Note 19 - Contingent liabilities

At balance date the company is not aware of the existence of any contingent liability.

Note 20 - Events occurring after balance date

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 pandemic, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

No other significant events have occurred after balance date.

Note 21 - Limitation of members' liability

The company is registered with the *Australian Charities and Not-for-profits Commission* as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed \$50 per member. At 30 June 2020 the number of members of this company was 10 (2019: 10).

Note 22 - Economic dependency

The Directors consider that the company is economically dependent on revenue received from the Commonwealth Government Department of Health with respect to its residential aged care facilities and community care programs. The Directors believe that this revenue will continue to be made available to the company for the foreseeable future.

Note 23 - Related party transactions**Directors' remuneration**

In accordance with the company's constitution the Directors of the company hold that position in an honorary capacity and thus receive no remuneration or retirement or superannuation benefits for their services.

EVERGREEN LIFE CARE LIMITED
ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2020

DIRECTORS' DECLARATION

The Directors of the Evergreen Life Care Limited declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors 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.



J Roberts
Chair



A Keith
Chair of Finance Committee

Gosford, 24 September 2020

EVERGREEN LIFE CARE LIMITED

ABN 95 003 777 259

FINANCIAL REPORT - 30 JUNE 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EVERGREEN LIFE CARE LIMITED**

Opinion

We have audited the financial report of Evergreen Life Care Limited which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the accompanying financial report of Evergreen Life Care Limited is in accordance with 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 2020 and of its financial performance for the year then ended, and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and 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 Responsibility 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 *Australian Charities and Not-for-profits Commission Act 2012* 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, 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.

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

Directors' Responsibility 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 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 a 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 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.

The Directors are responsible for overseeing the company's financial reporting process.

EVERGREEN LIFE CARE LIMITED**ABN 95 003 777 259****FINANCIAL REPORT - 30 JUNE 2020****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EVERGREEN LIFE CARE LIMITED*****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 the 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.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the 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.

StewartBrown

Chartered Accountants

S.J. Hutcheon

Partner

24 September 2020