

# Bundaleer

2018/2019 ANNUAL REPORT

ABN 48 0031 55708

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***We acknowledge that at Bundaleer we gather on Birpai Land.  
We pay our respects to Elders past present and future for they hold the memories,  
the hopes and the traditions of Aboriginal Australia. We must always remember that  
under the concrete and the asphalt this land is and always will be, Aboriginal Land.***



## Ian Chegwidan

### Chairperson - Bundaleer Care Services

Once again it is my privilege to present this annual report of the activities of Bundaleer Care Services on behalf of the Board of Directors.

2018/2019 year has been both a challenging and exciting year for Bundaleer. Challenging in preparing and adapting to the new Aged Care Standards introduced from July at the same time providing the best possible care to our residents.

This year has also seen a marked increase in regulatory oversight of aged care provision, with concentrated media attention and the formation of a Royal Commission into the aged care sector. We welcome these initiatives as we believe that our older population certainly deserve the very best care available.

This year we have commenced the extensive renovations and improvements to the Cameron Street facility, work expected to be completed by October this year and requiring an investment of approximately \$2,418,644. I would like to thank staff, residents and their families/ carers for their patience and understanding during this process, however, I'm sure that the result will be worth the inconvenience during the work.

This year has also seen the disappointment of having our Development Application for our new residential facility at Johnstone Street unable to proceed due to factors beyond our control.

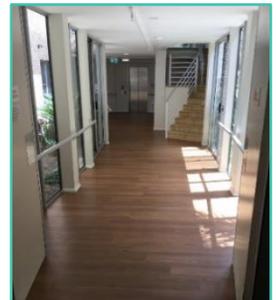
However, as so often occurs in life, disappointment results in opportunity, in this case, the opportunity to purchase a 2.2 hectare (5 acre) parcel of land in the Mill Estate off High Street, Wauchope.

This land comprising more than 3 times the area of the current Johnstone Street site has allowed us to design a 140 bed home including specific dementia and palliative care facilities.

The second stage of the development will include a hydrotherapy pool complex. The greater land area will also allow spacious grounds and landscaping to provide a most welcoming and attractive place to live.

Renovations to the independent living units has also continued as each becomes available, and this as well as the friendly atmosphere and garden setting has resulted in strong demand, with generally, only those under renovation being vacant before subsequent sale.

Bundaleer's Home and Community Care division has experienced strong growth, both in the Mid North Coast and New England regions, growth that is expected to continue and which has certainly been supported by the previous purchase of the Rural Home Nursing Service.



*Pictured: Cameron Street renovation progress.*

At the conclusion of my 3<sup>rd</sup> year as chairman of Bundaleer Care Services, I would like to thank many people and organisations for the continued support for myself and our valuable organisation.

My fellow directors for their support, commitment and the great depth of knowledge that they bring to the organisation.

Louise our C.E.O. , who stepped into the role in a difficult time as Interim C.E.O. and then following an extensive external recruitment process, was successful in obtaining the permanent position.

To the staff of Bundaleer, who I would prefer to refer to as “the Team”, thank you for your continued efforts and support of our organisation and the people that we care for.

The volunteers in the Friends, the Garden Club, Residents Committee and other support groups

and individuals – thank you for making Bundaleer the wonderful organisation and place that it is.

To the members and the general community – thank you for your ongoing support and assistance.

The coming years will see many challenges for Bundaleer, with the conclusion of the Royal Commission and its recommendations, reductions in funding, increases in costs and an aging workforce among them, as well as the challenge of financing and building a new residential facility.

However, with ongoing community support, the commitment of our team and the solid foundations of our organisation provided by the local community, previous Boards of Directors and staff, the Board of Directors is confident in the future of Bundaleer Care Services and its place in the Mid North Coast and New England communities.



*Pictured: Artist renderings of the new Bundaleer Mill Project.*

## Louise Roberts

### Chief Executive Officer - Bundaleer Care Services



The 2019-2020 financial year has seen a new set of standards introduced in July 2019. These eight standards incorporate 88 sub standards.

The standards are designed to ensure the consumers of our services are at the centre and Bundaleer assist them to make informed choices about their care and services and live the life they choose.

There is a consumer outcome for each standard. For the first time in the industry there is a standard on organisational governance for all Aged Care Board of Directors.

To support this a new charter of rights has been signed by all our current consumers and new consumers of care, all Bundaleer's staff have had education. Community services have been providing consumer directed care for many years and this journey for residential care services is just beginning.

This year will see Bundaleer focus on building an organisational culture built on integrity, accountability, inclusion and teamwork. Focus groups with all levels of staff have been undertaken, and feedback has been sought from all our consumers on what they want the personal attributes of the people who are providing care to be.

Bundaleer's vision on enriching lives not only relates to our residents, clients and staff but everybody within our community.

To assist Bundaleer reach the new standards and targets, information systems are being upgraded across residential care, community care, a new resident/client feedback system, food safety system and investigation of a new financial system is being undertaken.

These systems will assist with compliance to the new standards and assist our staff work smarter not harder.

With all accreditation visits now unannounced Bundaleer will have its evidence supporting the standards organised for the assessors to review.

Bundaleer has undergone its inaugural NDIS Certification since the purchase of Rural Home Nursing, and its first certification with Attendant Care Industry Association, the regulating body over our 24 hour ICare community clients.

This will strengthen our services both in the Hastings and New England Area.

The 2019/2020 financial year will bring more change including the results of the Royal Commission into Aged Care which will bring a raft of changes including a potential re-write of the Aged Care Act.

The Commonwealth Government will introduce a new funding model for residential aged care known as the Australian National Aged Care Classification and is due for implementation in March 2020. This funding will be very similar to hospital funding.

I would like to pay tribute to the Board, staff and volunteers who work tirelessly to care for some of the most vulnerable people within our area. Without these people we would not be here and our local people would not have the services they currently have.

Finally I would like to thank the local people of Wauchope for trusting us to care for their loved ones be that in their home or in our facilities. We will continually strive to work in partnership with you and improve the services you need.



## Summary Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
Revenue	16,906,288	13,049,950
Other income	100,000	17,567,727
	<b>17,006,288</b>	<b>30,617,677</b>
Employee benefits expense	(13,486,925)	(9,572,712)
Depreciation and amortisation expense	(437,625)	(499,668)
Administration expenses	(1,278,005)	(858,037)
Cleaning and laundry expenses	(317,773)	(263,329)
Food supplies	(458,421)	(497,419)
Maintenance costs	(410,229)	(771,538)
Resident and client expenses	(906,996)	(655,832)
Utilities and rates	(367,808)	(297,103)
Insurances	(903,238)	(637,138)
Share of gains paid to residents	(25,992)	(49,500)
Bad and doubtful debts expense	(59,722)	1,207
Finance costs	(20,905)	(89,057)
Write-off of development expenses	(549,366)	-
	<b>(19,223,005)</b>	<b>(14,190,126)</b>
Profit / (loss) before income tax	(2,216,717)	16,427,551
Income tax expense	-	-
Profit / (loss) for the year	(2,216,717)	16,427,551
Other comprehensive income	-	-
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	<b>(2,216,717)</b>	<b>16,427,551</b>

## Summary Statement of Financial Position

As at 30 June 2019

	2019	2018
	\$	\$
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	755,286	1,059,061
Trade and other receivables	1,059,430	1,441,133
Other financial assets	13,854,882	15,787,703
Other assets	575,550	542,121
<b>Total Current Assets</b>	<b>16,245,148</b>	<b>18,830,018</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	13,890,328	11,820,781
Investment property	22,427,253	22,340,570
Intangible assets	673,672	673,672
<b>Total Non-Current Assets</b>	<b>36,991,253</b>	<b>34,835,023</b>
<b>TOTAL ASSETS</b>	<b>53,236,401</b>	<b>53,665,041</b>
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities</b>		
Trade and other payables	1,548,166	1,476,135
Borrowings and loans	25,536,114	24,047,535
Short-term provisions	1,318,517	1,375,866
Other liabilities	740,642	468,405
<b>Total Current Liabilities</b>	<b>29,143,439</b>	<b>27,367,941</b>
<b>Non-Current Liabilities</b>		
Long-term provisions	95,810	83,231
<b>Total Non-Current Liabilities</b>	<b>95,810</b>	<b>83,231</b>
<b>TOTAL LIABILITIES</b>	<b>29,239,249</b>	<b>27,451,172</b>
<b>NET ASSETS</b>	<b>23,997,152</b>	<b>26,213,869</b>
<b>EQUITY</b>		
Retained earnings	23,997,152	26,213,869
<b>TOTAL EQUITY</b>	<b>23,997,152</b>	<b>26,213,869</b>

## Summary Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>26,213,869</b>	<b>-</b>	<b>26,213,869</b>
Profit / (loss) attributable to members of the Company	(2,216,717)	-	(2,216,717)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>(2,216,717)</b>	<b>-</b>	<b>(2,216,717)</b>
<b>Balance at 30 June 2019</b>	<b>23,997,152</b>	<b>-</b>	<b>23,997,152</b>

2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>7,825,953</b>	<b>1,960,365</b>	<b>9,786,318</b>
Profit / (loss) attributable to members of the Company	16,427,551	-	16,427,551
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>16,427,551</b>	<b>-</b>	<b>16,427,551</b>
Transfers (from) reserves to retained earnings	1,960,365	(1,960,365)	-
<b>Balance at 30 June 2018</b>	<b>26,213,869</b>	<b>-</b>	<b>26,213,869</b>

## Statement of Cash Flows

### for the Year Ended 30 June 2019

	2019 \$	2018 \$
<b>Cash flows from operating activities:</b>		
Receipts from residents and government subsidies	17,731,146	12,414,969
Payments to suppliers, employees and other expenses	(18,876,491)	(13,495,542)
Interest received	425,203	469,641
Interest paid	(20,905)	(89,057)
<b>Net cash provided by/(used in) operating activities</b>	<b>(741,047)</b>	<b>(699,989)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,984,128)	(1,313,933)
Payment for business acquisition	-	(526,006)
Net (increase) / decrease in other financial assets	1,932,821	441,181
<b>Net cash provided by/(used in) investing activities</b>	<b>(1,051,307)</b>	<b>(1,398,758)</b>
<b>Cash flows from financing activities:</b>		
Net movement in resident loans, accommodation bonds, RADs and RACs	1,488,579	2,163,447
Repayment of borrowings	-	(331,109)
<b>Net cash provided by/(used in) financing activities</b>	<b>1,488,579</b>	<b>1,832,338</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(303,775)</b>	<b>(266,409)</b>
Cash and cash equivalents at beginning of financial year	1,059,061	1,325,470
Cash and cash equivalents at the end of financial year	755,286	1,059,061

## Notes to the Summary Financial Statements for the Year Ended 30 June 2019

### Note 1 – Accounting Policies

The summary financial statements have been prepared from the audited financial statements of Bundaleer Care Services Limited for the year ended 30 June 2019. A copy of the full financial statements and auditor's report will be sent to any member, free of charge, upon request.

The financial statements, specific disclosures and the other information included in the summary financial statements are derived from, and are consistent with, the full financial statements of Bundaleer Care Services Limited. The summary financial statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and cash flows of Bundaleer Care Services Limited as the full financial statements.

A full description of the accounting policies adopted by the Company may be found in the full financial statements, which were approved by the Directors on 3 September 2019.

The accounting policies have been consistently applied to Bundaleer Care Services Limited and are consistent with those of the previous financial year.

The presentation currency used in the financial statements is Australian dollars.

### Note 2 – Significant Items of Revenue and Expense

The following significant revenue and expense items are relevant in explaining the financial performance for the year:

		2019	2018
	Note	\$	\$
Gain on revaluation of investment property	2(a)	100,000	17,567,727
Write-off of development expenses	2(b)	(549,366)	-
		<b>(449,366)</b>	<b>17,567,727</b>

#### (a) Gain on revaluation of investment property

During the financial year ended 30 June 2018 Independent Living Units (ILUs), previously classified as property, plant and equipment, were reclassified as investment property. In accordance with Australian Accounting Standard AASB 140: Investment Property, the change in fair value of the Company's investment property has been taken up as an item of income or expense in the statement of profit or loss and other comprehensive income during the year in which the revaluation occurred.

#### (b) Write-off of development expenses

During the year ended 30 June 2019 the Board of Directors resolved to make certain strategic amendments to their plans in relation to the Johnstone Street, High Street and the Old Mill Site developments in Wauchope. Due to the change in Board strategy relating to these developments, the original development plans became obsolete and resulted in development costs of \$549,366 being expensed in profit or loss in accordance with Australian Accounting Standard AASB 116: Property, Plant and Equipment. These development costs were previously capitalised and were recognised in the balance of property, plant and equipment in the statement of financial position.



## PARTNERS

Robert Magnussen B Bus FCA  
 Paul Fahey B Bus CA  
 Rodney Smith B Fin Admin FCA  
 Bart Lawler B Com CA  
 Patrick Brennan B Com CA  
 Alison McKinnon B Bus CA

## Auditor's Independence Declaration

To the Directors of  
 Bundaleer Care Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements of Australian professional ethical pronouncements; and
- (ii) any applicable code of professional conduct in relation to the audit.

### Northcorp Accountants

Robert Magnussen  
 Partner

10- 12 Short Street  
 Port Macquarie NSW 2444

Dated: 3 September 2019

## Independent Auditor's Report To the Members of Bundaleer Care Services Limited

### *Opinion*

The summary financial statements which comprise the Summary Statement of Financial Position as at 30 June 2019, Summary Statement of Profit or Loss and Other Comprehensive Income, Summary Statement of Changes in Equity and Summary Statement of Cash Flows for the year then ended, related notes and the Directors' Declaration, are derived from the audited financial report of Bundaleer Care Services Limited for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial report, on the basis described in Note 1.

### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 applied in the preparation of the audited financial report of Bundaleer Care Services Limited. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon of Bundaleer Care Services Limited.

### *The Audited Financial Report and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial report in our report dated 3 September 2019.

### *Director's Responsibility for the Summary Financial Statements*

The Directors are responsible for the preparation of the summary financial statements on the basis described in Note 1.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Australian Auditing Standard ASA 810: *Engagements to Report on Summary Financial Statements*.

### NorthCorp Accountants



Robert Magnussen  
Partner

10 - 12 Short Street  
Port Macquarie NSW 2444

Dated: 3 September 2019



## Directors Report – 30 June 2019

Your Directors present their report on Bundaleer Care Services Limited 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:

<b>I. Chegwidden</b>		
<b>D. Johnson</b>		
<b>J. Muller</b>		
<b>R. Barnaby</b>		
<b>G. Carey</b>		(Appointed 27 June 2019)
<b>R. Avery</b>		(Appointed 25 October 2018, Resigned 4 May 2019)
<b>G. McPherson</b>		(Resigned 10 September 2018)
<b>G. Norman</b>	Managing Director	(Resigned 28 June 2019)

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

### Principal Activities

The principal activities of Bundaleer Care Services Limited during the financial year were to provide a continuation of appropriate accommodation and care services for the elderly in our community.

### Objectives

The objectives of Bundaleer Care Services Limited are to carry on a public benevolent charitable organisation for the care, comfort and maintenance of the aged and disabled. The Company will use the power to acquire, receive, purchase, sell, lease, repair, maintain or otherwise deal with by such methods as necessary to provide full nursing facilities and other services, giving preference to the aged in necessitous circumstances.

### Means by which Principal Activities Assisted in Achieving the Company's Objectives

The profit and cash flows generated from the Company's principal activities are utilised in achieving its objectives.

### Measurement of Performance

To monitor the performance of the Company, the Board of Directors receive relevant information on a regular basis. This information includes Key Performance Indicators (KPIs) such as occupancy rates, staff and resident satisfaction levels and full management accounting reports. The Board of Directors also meet on a monthly basis and meet with senior staff on a regular basis.

### Members' Guarantee

Bundaleer Care Services 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 \$ 10 towards meeting any outstanding obligations of the Company. At 30 June 2019 the collective liability of members was \$ 570 (2018: \$ 820).

## The Directors

During the financial year, 16 meetings of Directors were held. Attendances by each Director during the year were as follows:

I. Chegwidden -----  
 D. Johnson -----  
 J. Muller -----  
 R. Barnaby -----  
 G. Carey (*Appointed 27 June 2019*) -----  
 R. Avery (*Appointed 25 October 2018, Resigned 4 May 2019*) -----  
 G. McPherson (*Resigned 10 September 2018*) -----  
 G. Norman (*Resigned 28 June 2019*) -----

Directors' Meetings	
Eligible to attend	Attended
16	16
16	14
16	14
16	15
1	1
8	3
3	2
12	9

## Information on Current Directors

### I. Chegwidden

Qualifications ----- Builder / Tertiary Teacher  
 Experience ----- Board Member since 25 November 2015  
 Special Responsibilities ----- Chairperson

### D. Johnson

Qualifications ----- Accountant  
 Experience ----- Board Member since 24 February 2016  
 Special Responsibilities ----- Audit and Finance Committee Chairperson

### J. Muller

Qualifications ----- Retired Business Owner  
 Experience ----- Board Member since 31 August 2016

### R. Barnaby

Qualifications ----- Business Owner / Director  
 Experience ----- Board Member since 20 February 2018

### G. Carey

Qualifications ----- Medical Practitioner  
 Experience ----- Board Member since 27 June 2019

# Bundaleer Care Services Limited

## Directors' Declaration

The Directors of the company declare that:

1. The summary financial statements comprising the Summary Statement of Profit or Loss and Other Comprehensive Income, Summary Statement of Financial Position, Summary Statement of Changes in Equity, Summary Statement of Cash Flows and notes to and forming part of the summary financial statements:
  - (a) Comply with the Accounting Policies as described in Note 1; and
  - (b) have been derived from, and are consistent with, the full financial statements of Bundaleer Care Services Limited for the year ended 30 June 2019.
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 and is signed for and on behalf of the Board of Directors by:

  
-----  
I Chegwidan

  
-----  
D Johnson

Dated: 3 September 2019



# Bundaleer

*...enriching lives*

**ANNUAL REPORT**  
**2018/2019**