



PROM COUNTRY
Aged Care

enhancing the human spirit

Annual Report

2022-2023

Prom Country Aged Care Inc.

Prom Country House

Registration No. A0020440J

Annual Report 2022-2023

INCORPORATION

Prom Country Aged Care Inc. is registered as an incorporated association in accordance with the Associations Incorporation Act 1981 and the Associations Incorporation Reform Act 2012 (Vic).

SERVICES PROVIDED

Prom Country Aged Care Inc. provides ageing in place, permanent and respite, residential aged care services with its 68-bed facility located at Prom Country House, Foster.

AUDITOR

AMW Audit
235-237 Princes Drive
MORWELL VIC 3840

Prom Country Aged Care Inc.

Postal Address:

PO Box 81
Foster VIC 3960
Registered No. A0020440J
ABN 95 527 897 647

Prom Country House

9 O'Connell Rd
Foster VIC 3960
Tel: 03 5682 0800
Fax: 03 5682 0888

About us

OUR PURPOSE:

... is to provide a dignified and nurtured life to all who come into our care.
This drives all we do.

OUR VALUES

We ask, we listen, we learn, we act, we care

We respect the individual

We seek to find a better way

We work as a team



Board of Management

Prom Country Aged Care (PCAC) is managed by a voluntary Board of Management drawn from the organisation's membership base, which represents a cross-section of the community.

President	Marie Larkin
Vice-President	Peter Jordan
Secretary	Dana Hughes
Treasurer	Jake O'Hara

Members	Liz Davies	
	Tristan White	
	Liz Kindellan	
	Monica Pound	
	Jeanette Bruinsma	Appointed December 2022
	Jeanette Draper	Appointed March 2023
	Carol Johnston	Resigned December 2022
	Bill Bray	Deceased August 2022

Marie Larkin – President, (Board of Management Member since 2020)

Marie is an experienced and accomplished director, general manager and health leadership consultant with a strong track record in strategy development, innovation, program design and delivery. She has worked in the public health, aged care, and community services sector for over twenty years. In addition, she has spent more than a decade in strategic consulting including running the consulting enterprise itself. Among her tertiary level qualifications, Marie holds a Masters in Public Policy and Administration. As a local resident, she is deeply committed to the South Gippsland community and values the opportunity to contribute to PCAC.

Peter Jordan – Vice- President, Board of Management (Member since November 2021)

Peter brings to the PCAC Board nearly 40 years' experience in advising government departments, companies and not-for-profit organisations. Peter's experience includes serving as Chair of YMCA Victoria and almost 20 years with Accenture, where he led their Public Sector practice in Victoria. Peter was also a partner at Deloitte. He lives in Fish Creek and runs his own consultancy.

Dana Hughes – Secretary (Member since May 2021)

Dana has been a resident of South Gippsland for 30 years. She has devoted most of her working life to building stronger communities and opportunities for people to create their desired future. Dana runs her own training and facilitation business primarily in the 'for purpose' sector. Until recently she worked for the South Gippsland Shire Council overseeing the Volunteer program. As former president of the Southern Businesswomen's Network and active community member, Dana is delighted to be able to contribute to the PCAC Board.

Jake O'Hara – Treasurer, Board of Management (Member since November 2021)

Born and raised in Foster, Jake is a manager at a leading Professional Services Firm, EY. He brings to the PCAC Board a wealth of experience in financial reporting and external audit. Jake has looked after clients that range from small private companies through to local subsidiaries of Fortune 100 companies and ASX listed companies.

Tristan White –Board of Management (Member since 2011)

Tristan is married to Kimberley and dad to Alexandra, Harriet, Roman and Xavier. He lives in Foster, is a qualified physiotherapist, has a Masters in Business Administration (MBA) and is CEO of The Physio Co, a business that exists to help seniors stay mobile, safe, and happy wherever they call home.

Liz Davies – Vice President, Board of Management (Member since 2016)

Liz Davies is the former Managing Director of Alcuin International, a consulting and training company that specialises in the Information Technology sector. Liz is a Board member of the Prom Coast Community Health Foundation. She has a longstanding connection to South Gippsland as her family holidayed and farmed here. After living in Sydney for 25 years, Liz and her husband Warren moved to Waratah North permanently. The opportunity to be involved in PCAC is a privilege and participating in a team dedicated to providing excellent aged care in the local community is both challenging and rewarding.

Liz Kindellan - Board of Management (Member since November 2021)

Liz was born in Foster and attended both primary and secondary school here before completing her secondary and tertiary education in Melbourne. She has worked as a Primary Teacher for over 30 years, with the last 20 being at Foster Primary School. Liz and her husband Owen have two children, Grace and Amy, who also went to the local schools.

One of Liz's favourite places is Waratah Bay, where she is president of the Waratah Bay Community Association. Liz is also on the Prom Coast Festival Committee. While she has retired from full-time teaching, Liz still does casual relief teaching, and in her spare time enjoys reading, cooking and bush walking.

Monica Pound - Board of Management (Member since November 2021)

Monica is a resident of Yanakie. She has a background working in Aged & Disability Care in a variety of roles and settings. Monica has managed Home and Community Care services in Alice Springs, South Gippsland and Bass Coast and is currently employed at Interchange Gippsland as Manager Support Services – Service Delivery.

Jeanette Bruinsma - Board of Management (Member since December 2022)

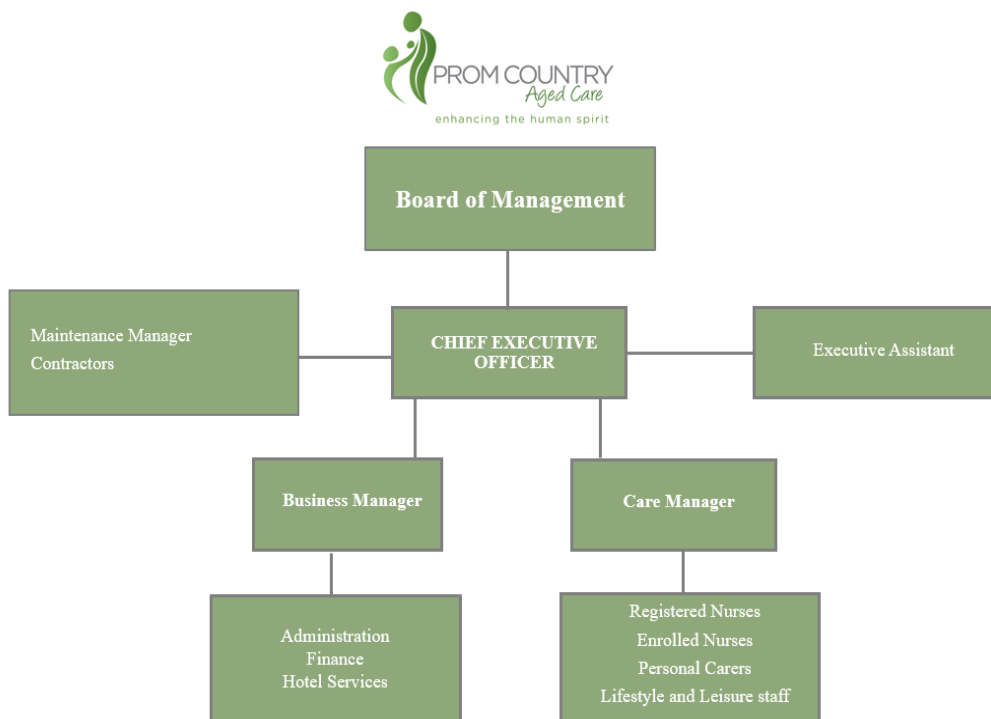
Jeanette was born in the Netherlands where she completed a law degree at the University of Utrecht. After graduating, a holiday in Australia turned into a permanent stay. Working full-time and studying part-time Jeanette completed her second law degree, at the University of Melbourne. Jeanette worked as a solicitor practising mainly in commercial law and commercial litigation and was a Law Institute of Victoria Accredited Litigation Specialist.

Now retired as a solicitor, Jeanette enjoys being part of the PCAC team as an active Board member and is keen to contribute to the work required in achieving PCAC's objectives and purpose. Jeanette is married and has two daughters, both of whom live and work overseas. She divides her time between Waratah North and Melbourne, with more and more time being spent in Waratah North.

Jeanette Draper - Board of Management (Member since March 2023)

Jeanette has been a resident of South Gippsland for nearly 40 years, is a graduate of the Australian Institute of Company Directors (GAICD) and has been on two previous Boards. She has a background in Nursing (25 years Division 1 Nurse), Aged Services Management, Social Planning and Project Management for Health and Community Services writing policies, procedures and frameworks for Nurse Practitioners. She is currently a Pilates Instructor. She has a vested interest in assisting mature aged people to maintain a healthy lifestyle to enable them to age well. She has always been involved in community volunteering. Her passions are family and travel.

Prom Country Aged Care Organisation Chart



President's report

I am proud to present my report to the broad community that surrounds Prom Country Aged Care. Reflecting on the 2022/23 year, while the system we work in remains complex and challenging, for PCAC I characterise it as a year of consolidation on many fronts. I will highlight four of them in this report.

Firstly, during the taxing years where we were deep in the grip of COVID there was barely a week that could be considered business as usual. As the 2022/23 year commenced, there was a sense that the crisis period was drawing to an end. As a result, we have been able to take a deep collective breath, regroup and get back to our strategic priorities and associated actions with greater focus and renewed determination.

One of the key strategic priorities for the board is to build and maintain a strong and sustainable financial position. As reported last year, PCAC did not achieve budget and reported a significant loss in 2021/22. We were not alone in this position. Stewart Brown, a consulting firm that specialises in aged care funding and activity data, in its six-monthly report midway through the 2022/23 reporting period, identified significant sector-wide financial decline and loss due to increased staffing and accommodation costs and decreased bed occupancy. Stewart Brown identified some 63% of residential aged care homes across Australia were running an operating deficit at that time. KPMG in a report delivered around the same time identified similar percentage numbers of residential aged care providers with operating deficits.

Knowing this is a systemic funding issue provides only a small level of comfort to the Board and has certainly not stopped it from pursuing options to improve our local situation. Our intention is to maintain and build on the financial reserves so generously provided by our community over many years. To this end, during this reporting period the board engaged consulting company Ninety Mile Consulting to help identify realistic options that could improve our overall position and assist with long term sustainability. The Options Report by Ninety Mile consulting has guided the board's thinking and work during the 2022/23 year with valuable conversations throughout the year focused on partnerships as a way of achieving both savings and efficiencies.

Also included among our strategic priorities has been a major project to establish our entity-wide Communications Plan. I'm delighted to advise that this plan is well advanced and will be finalised in the 2023/24 financial year. My deepest gratitude to Dana Hughes who has led the way on this important piece of work, ably supported by our staff, CEO Tracey Gibson and Executive Assistant Genevieve Slattery, and Board members Monica Pound and me. In addition, Dana co-opted Ros Griggs, whose current role is as Manager Risk, Governance and Performance with South Gippsland Water. We are indebted to Ros who brought much wisdom to the table and showed tremendous leadership and skill in ensuring we stayed on track and focused on the items to give the greatest return to PCAC. Once again, I am impressed by the quality of skills we have in our area and by the discretionary effort given by all on the working party. The Communications Plan will guide communications emanating from PCAC and ensure that our community knows more about us, the important service provided and the valuable part the community around us plays.

Achieving accreditation is an ongoing strategic priority. It is a critical signpost to our residents, their families, staff and the community that we provide a high quality and safe environment for all who live, visit and work in PCAC. During the 2022/23 reporting period, our leadership team prepared the organisation for the first accreditation review under the new Commonwealth Aged Care Standards. This was also within a context of the restrictions of COVID and the challenging staffing situation it created, making business continuity difficult. We were grappling with the introduction of the Commonwealth Government's new funding model during this time. I am delighted to report that in January 2023 we achieved full accreditation for three years from the Aged Care Quality and Safety Commission. We received a glowing report with only a few minor suggested adjustments to our processes, all of which were finalised before the assessors finished their three-day visit.

Given the circumstances, this achievement should not be underestimated. My heartfelt thanks go to all of the staff within PCAC for their hard work and their continual focus on quality care which enables all of us, the residents, their families, the Board and staff to be proud of our association with PCAC. Special thanks to Marianne Wigg, our Care Manager and to Michelle Denman for their close attention to the details that matter in providing care.

A second area of consolidation for us this year is within our Board of Management and Executive Leadership Team. I am proud to lead this Board of skilled, willing, and thoughtful people. As of the end of 2023, the Federal Government requires that all residential aged care boards have at least one person who has relevant clinical skills. Late last year we were fortunate to be able to recruit Jeanette Draper who has a highly relevant clinical background and as well as being an experienced board member. We also welcomed Jeanette Bruinsma, who has a legal background filling an important gap in our skills line-up. An enormous welcome to our two Jeanettes who have made a significant contribution already! My deep appreciation goes to the whole board who are well prepared, fearless in their quest for excellence and always ready to pitch in.

While we had no new appointments to our Leadership Team, 2022/23 was definitely a period of consolidation for them. As a group, they have guided our organisation effectively and as efficiently as has been humanly possible with the multitude of changes happening in our field as a result of the Aged Care Royal Commission findings in the previous year. They have navigated new aged care standards, new government reporting requirements, changes to our payroll provider, orientated new auditors as a result of our previous auditors pulling out unexpectedly in March of this year, and have continued to run a caring and efficient service in the context of significant ongoing staffing shortages. All of this and much more has been undertaken with energy and good grace. Our particular appreciation to our CEO Tracey Gibson whose leadership style and skill enables all of us to be our best selves.

The third area of consolidation I am pleased to report on is a much-improved financial position compared with the last financial year. During the course of the 2022/23 year, the commonwealth government introduced a new funding model with which all residential aged care services grappled. The new funding model provided an initial bounce to our bottom line due to additional care minutes being funded in advance of requirements to provide those care minutes. Jake O'Hara, our Treasurer will have more to say about this in his report, but through forensic focus on increasing revenue, through maximising our government grants and improving our occupancy after the COVID impact, as well as putting downward pressure on costs, we have come a long way. There is still much more to do, and the board remains focused on achieving a balanced bottom line in the 2023/24 year and into the future. A deepfelt thank you to Jake and the Finance committee for asking the right questions and to Jenny Bonell our Business Manager who has provided the board with accurate reports and sound advice throughout the year and in helping us navigate the untimely departure of our auditors.

And finally, I am delighted to report that the final three rooms in our yellow wing have been completed. As our fourth area of consolidation, it feels like a milestone has been achieved in this our tenth anniversary year in this wonderful building. As I move around aged care services, I believe the design and feel of this building has stood the test of time as being among the best I have been inside. I pay deep tribute to the people who had the foresight twelve to fifteen years ago to reach for excellence for our community. We are awaiting government approval to start operating the three new and final rooms to be fitted out under the existing roofline, which should be granted in the not-too-distant future.

Turning our focus on the 2023/24 year, there is still much for the Board to do. Of most immediate importance, is to recruit a new CEO. With heavy hearts we say farewell to Tracey Gibson, who has been a stable stalwart for the organisation over the past three years. She has led the organisation with grace and determination through some extremely challenging times for residents, families and staff. Since her arrival there has barely been a business-as-usual week and I extend my deepest appreciation to her for every joule of energy she has devoted to our service and keeping all our heads above the surface. We wish Tracey all the best in the future.

Beyond this task we continue to reach out to other aged care providers in the area with a view to increasing the focus on the care continuum for older people in our community. We are also working hard to ensure our service achieves financial stability with no stone being unturned in our quest.

Knowing we have the community with us matters enormously. Our biggest thanks go to our volunteer community both those who volunteer directly at PCAC and indirectly through Prom Aged Services Fundraising Inc (PASFRI) who run the Foster Op Shop and Collectables. Volunteers are generally unassuming characters whose work behind the scenes often goes unnoticed. Please know we appreciate you and we do notice!

The PASFRI Board do an amazing job of running a business that raises significant funds for PCAC and Linton Court Independent Elderly People's Home Society and we are very lucky indeed to be the recipients of the funds raised through your work. In 2022/23, PASFRI raised \$65,000 for PCAC alone. I especially want to call out the work that Sandy Bucello does on behalf of PCAC on the PASFRI Board. She is our co-opted member on the Board, along with Liz Kindellan and Jake O'Hara. As a past PCAC President and long-standing Board member, Sandy's knowledge is deep and wide and we appreciate everything she does on our behalf in helping PASFRI achieve its success.

And finally, I want to acknowledge two other people who have also contributed significantly to our organisation, whose terms of service are coming to an end this year. PCAC's Rules of Association allow for board appointments of up to nine years (three-year terms by three terms). Our gratitude to Tristan White who has been an active Board member, past President, and past Treasurer in fact for four terms finishes his time on the Board this year. We will miss Tristan's wise counsel, fortunately, we know where he lives and know that he will always provide support and wisdom when needed. Our very best wishes for every future success Tristan.

Similarly, PCAC has drawn on the counsel and experience of Linda Giddy who has been a co-opted member of our Audit and Risk Committee for the past nine years. Linda has made an invaluable contribution to local aged care through her active commitment to this subcommittee of the Board. She asks the right questions and is fearless in her pursuit of excellence. Thank you for your enduring and valuable work Linda.

Thank you all for your continued support and interest.

Marie Larkin
President



Treasurer's report

The 2022- 23 financial year for Prom Country Aged Care has continued the path of recently challenging years, whilst the overall result has seen a significant reduction in the operating deficit, Management and the Board of Management have continued to work through a number of challenging times.

- Economic headwinds have been prevalent through the year with significant inflation across all facets of the business.
- Facility occupancy posed significant challenges throughout the year.
- A new funding model from 1 October 2022, the Australian National Aged Care Classification (AN-ACC)

Revenue generated from resident care was similar to previous years, despite the introduction of the AN-ACC funding model and is largely the result of reduced occupancy levels across a large part of the year. Management and the board have been working tirelessly to address the rates of occupancy and we have seen significant improvement in to the first months of the 2023-24 financial year.

Revenue from other operating activities (approx. \$400k) saw significant increases from previous years largely as a result of the grants received in relation COVID costs incurred in the previous year, and funding received from employee education development programs. This revenue has contributed to the reduction in operating deficit.

Staffing costs represents the largest expense to PCAC and being able to have the right staff is pivotal to our organisational success. Roster shortfalls are required to be filled by Agency staff to ensure that our residents receive the appropriate level of care. Our preference of course is to ensure we employ staff on a permanent basis and we have in place robust recruitment strategies, however due to national shortages of care workers it a necessity of the business.

Cashflow

Despite an operating deficit during the period, 2022-23 has resulted in positive operating cashflow of \$196,900

Financial Position

It is important to note PCAC retains a balance sheet with a net assets value of \$8,300,150 and remains financial stable.

Looking Ahead

Despite the challenging year that 2022-23 was, I am optimistic for 2023-24. Management and the board will continue to work through challenging economic conditions and actively working on staffing strategies to ensure the best level of care to our residents.

I would like to extend my thanks to our broader PCAC community including our care team members, residents and residents' families, Board members, volunteers & our small, dedicated finance sub-committee. We all strive to provide the best service to our residents and the broader community of Foster and South Gippsland, on behalf of them "Thank you for your dedication."

Jake O'Hara
Treasurer



Secretary's report

Board of Management meetings

There were eight Board of Management meetings held during the 2022-23 financial year.

BOM Member meeting attendance register – 2022-23

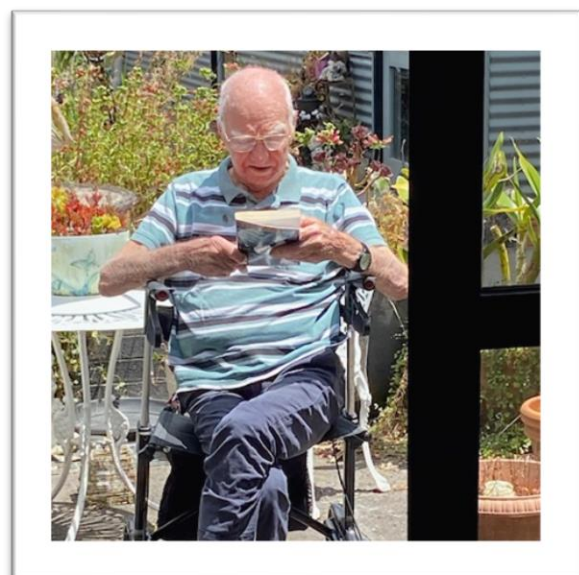
	Jul*	Sep*	Oct*	Nov*	Dec	Feb*	Mar*	May	Attendance to date
Marie Larkin	✓	✓	✓	✓	✓	✓	A	✓	7/8
Peter Jordan	✓	✓	A	A	✓	✓	✓	✓	6/8
Dana Hughes	✓	✓	A	✓	✓	✓	✓	✓	7/8
Liz Davis	✓	✓	A	✓	✓	✓	✓	✓ *	7/8
Jake O'Hara	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Tristan White	✓	A	✓	A	✓	✓	✓	A	5/8
Monica Pound	✓	✓	✓	✓	✓ *	✓	✓	✓ *	8/8
Liz Kindellan	A	✓	A	✓	✓	✓	✓	✓	6/8
Bill Bray	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0/1
Carol Johnson	✓	✓	✓	✓	N/A	N/A	N/A	N/A	4/4
Jeanette Bruinsma	N/A	N/A	N/A	N/A	✓	✓	✓	A	3/4
Jeanette Draper	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	2/2

* via Zoom call	A - Apology	N/A Not Applicable, no meeting, not commenced or resigned
√ - Attended		

Membership

Prom Country Aged Care Inc. had 28 members for the 2022-23 financial year.

Dana Hughes Secretary





Prom Country Aged Care Honorary Life Members:

An Honorary Life Member is a person who has rendered distinguished service to the Association over a period of time and is, on the recommendation of the Honorary Life Membership Subcommittee, elected as an Honorary Life Member of the Association by the Board of Management.

(Prom Country Aged Care - Rules of Association – Section 12, Page 6)

- 2015 Janice Cayzer
- 2015 Theresa Cicero
- 2015 Garry Clavarino
- 2015 Rod Lomax
- 2015 Julie Need
- 2015 Margaret O'Day
- 2015 Ian Park
- 2015 Olive Worboys
- 2016 Thelma Hemphill
- 2016 Helen Marriott
- 2016 Nancy Roussac
- 2016 Joy Whateley
- 2017 Betty Williams
- 2019 Joan Liley
- 2019 Phil Nightingall
- 2019 Llew Vale (awarded posthumously)
- 2021 Sandy Bucello

This list has been compiled with all due care, however, please notify Prom Country Aged Care if any discrepancy has occurred.

Life members board is displayed in the café area of PCAC

Membership as at 26 November 2021 AGM

CEO's report

Prom Country House is a wonderful home for our residents – one that is well supported by the great team of people who work here and our local community that is passionate about ensuring we have local services. This is also evident from our Board of Management who have worked hard and been tenacious about the quality of care and with a strong focus on being a sustainable organisation for the future. I thank the Board sincerely for their wisdom and guidance during a year that tested all our resilience at times.

Our workforce

Our team of care staff and the team behind them in our support services go above and beyond to ensure our residents get the services they need when they need them. In a year when we could not find permanent staff to fill rostered shifts, this had the greatest impact on our residents, families and staff who adapted to the many new faces who came to make sure we could care for those people who deserve the best.

Whilst agency staff have strengthened our rosters when we needed it, it is also a great testament to our permanent staff who continue to induct and support staff who may be here for a limited time. I cannot thank our team enough for their diligence and support to our workforce.

We took advantage of Federal Government funding to upskill thirteen of our Cert 111 personal care workers to the Certificate IV Aging Support and Disability and five staff who completed the Diploma of Leadership and Management/Diploma Competitive Systems and Practices. This has been an enormous effort for both the students who balanced study and work commitments and the staff who supported them by backfilling shifts during periods of training each month. Training was often deferred due to pandemic restrictions which delayed assessments and graduation by a few months.

We are also supported by many Volunteers who generously offer their time and skills to our organisation and our residents. This is true of our Board who are all voluntary and give many hours to us to ensure our Governance is sound so that we can provide the best possible services. We rely on volunteers to support our residents in many other ways and to keep connections to our community alive. As a small service we rely on this generosity and appreciate all their efforts that contribute great value to the lives of our residents and support of our staff.

Community Support

We have strong demand for respite and good transition to permanent placement. Our occupancy has lagged at times, primarily due to impacts of the pandemic when admissions were not able to occur and also when our workforce could not support an increase in resident numbers.

Seventy percent of our residents are in fact from the South Gippsland area. This means our residents are able to continue to access amenities and interests that they know and more easily keep their connections with family and friends.

Prom Country Aged Care is fortunate to be located in a vibrant health precinct giving us access to excellent General Practice and Clinical Care when our residents need it. We appreciate the responsiveness to our needs, particularly during this year when COVID outbreaks were occurring not only in our broader community – but also on 4 occasions in our home early in the financial year.

We have greatly appreciated the support from South Gippsland Hospital over the past 2 years with their Food Services Manager, Chelsea Griffin, having oversight of our own Food Services. We acknowledge the significant improvements in food quality, systems and processes that came about with Chelsea's oversight and thank her and CEO Paul Greenhalgh for this contracting arrangement which set us up well for our Accreditation visit in December last year. We have now appointed Hannah Clavarino to the role of Food Services Manager who has been with PCAC for the past 2 years.

Our residents linked with the Foster Men's Shed during the year after they saw that our outdoor furniture was in need of rehabilitation resulting in a big refurbishment. Our Rotary Club of Foster has been generous in its support to us again, and this year they have funded a new scooter shed to accommodate resident scooters so they are in a more accessible and in a safer place. The Foster-Toora Bendigo Bank Foundation funded the establishment of our own Men's Shed – something our residents have been wanting for some years. There have been some delays in the building of this as a result of material supply, particularly concrete for the base, but we should see this finished by the end of the year for our residents to relocate all their projects to. My thanks to all our supporters for their generosity and in making Prom Country House a great place to live.

Pandemic response

We had 4 outbreaks of COVID in the home in each month of July, August, September and October of 2022. This tested our planning and processes which enabled us to review practices each time. We invited the Public Health Unit at Latrobe Regional Hospital to inspect our practice and protocols and they were impressed with the care team's ability to enact the plan quickly and made very minor suggestions to improve workflow during an outbreak. We also developed an infection control lead position and are seeking funding to continue to upskill staff for this role.

Accreditation and Aged Care Reform Agenda

Our accreditation visit in December 2022 highlighted the high quality of our services with no reportable outcomes nor recommendations. This was a superb result for our team. Within the new Star Rating system Prom Country Aged Care has a 5 star Quality Rating and more information can be found on the My Aged Care website <https://www.myagedcare.gov.au/find-a-provider/aged-care-homes/1208516>.

The accreditation team noted that residents, families and staff were consistent in the information given and they were very complimentary of the staff observing the respect and care that the team showed towards residents and their families.

The pace of the reforms out of the Aged Care Royal Commission has been extraordinary. We know that in the longer term these will ensure a robust system of ensuring Aged Care Services deliver the best possible outcomes for older Australians and we support the measures despite the work to get these established initially. You can read more about the reforms on the Department of Health and Aged Care <https://www.health.gov.au/our-work/aged-care-reforms>.

In gratitude

My deep thanks to my immediate team - Marianne Wigg, our Care Manager who has worked tirelessly to ensure our roster can deliver the staffing supply we need, ensuring we have contracts in place with reliable nursing agencies, whilst also recruiting to permanent roles, responding to the reforms, interpreting these for our team and grappling with the increased reporting and compliance programs with the introduction of further quality indicators.

Our Business Manager, Jenny Bonell, established excellent systems for us in managing our data, refining our reporting to the Board and managed several major system changes requiring significant work over and above the day to day of management of the Finance function for our organisation. I am grateful for the expertise and diligence she has given to her role with us over the past year.

All good homes require great attention to maintenance, especially as Prom Country House is entering its 10th year in operation. Josh James, our Maintenance Manager has a keen eye and systems to ensure our maintenance program is responsive to those events that are unplanned and proactive to keep us up to date as equipment requires replacement or buildings require repair. My thanks to Josh who is always a step ahead and who provides timely support to the leadership team and supports our residents with their individual needs – not withstanding a lot of wheelchairs, beds, walkers, and television installations! There is no 'business as usual' work in human services – every day is different and that is what appealed to me so much in returning to work in aged care. However, it's time for me to do a bit of travel that was interrupted a few years ago and spend some time with my family in the north of Australia and I will leave PCAC at the end of November.

There are lots of good memories about working in a place that is our resident's home. It's been a privilege to be here. I appreciated being welcomed into this beautiful home and being able to learn a lot about our local community from the many residents and their families who have contributed so much to it. I am grateful for their wisdom in adapting and accepting when things don't go to plan in this recent pandemic when many of us were frustrated by holdups and restrictions.

There is also so much more to look forward to and build upon and I know that our Board of Management and the incoming CEO, Paula Gibb, will be a great team to take PCAC forward.

Tracey Gibson
Chief Executive Officer



PROM COUNTRY AGED CARE INC.

A 0020440J

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

NAPS: 1682

ABN: 95 527 897 647

PROM COUNTRY AGED CARE INC.

A0020440J

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023	2022
Revenue	2	7,418,935	6,756,078
Employee benefits expense		(6,148,283)	(5,970,547)
Depreciation and amortisation expenses	3	(449,900)	(446,609)
Consumables		(500,754)	(514,459)
Maintenance		(262,343)	(246,250)
Administration Expenses		(222,026)	(209,525)
Other expenses		(169,492)	(285,190)
Operating deficit		(333,863)	(916,502)
Other comprehensive income		-	-
Total comprehensive income attributable to the members of the association		(333,863)	(916,502)

The accompanying notes form part of these financial statements.

PROM COUNTRY AGED CARE INC.

A0020440J

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
CURRENT ASSETS			
Cash and cash equivalents	5	331,393	421,329
Trade and other receivables	6	118,136	187,680
Other current assets	7	191,333	43,339
Financial assets	8	5,391,688	7,708,274
TOTAL CURRENT ASSETS		6,032,550	8,360,622
NON-CURRENT ASSETS			
Property, plant & equipment	9	12,312,921	12,403,939
TOTAL NON-CURRENT ASSETS		12,312,921	12,403,939
TOTAL ASSETS		18,345,471	20,764,561
CURRENT LIABILITIES			
Trade and other payables	10	329,777	205,071
Unexpended grant (Business Improvement Fund)		-	104,745
Refundable deposits	11	8,781,270	11,025,810
Employee benefits	12	730,531	631,531
TOTAL CURRENT LIABILITIES		9,841,578	11,967,157
NON-CURRENT LIABILITIES			
Employee benefits	12	203,743	163,391
TOTAL NON-CURRENT LIABILITIES		203,743	163,391
TOTAL LIABILITIES		10,045,321	12,130,548
NET ASSETS		8,300,150	8,634,013
EQUITY			
Accumulated surplus		8,634,013	9,550,515
Current year deficit		(333,863)	(916,502)
TOTAL EQUITY		8,300,150	8,634,013

The accompanying notes form part of these financial statements.

PROM COUNTRY AGED CARE INC.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated surplus
Balance at 1 July 2021	9,550,515
Deficit attributable to members	(916,502)
Balance at 30 June 2022	8,634,013
Deficit attributable to members	(333,863)
Balance at 30 June 2023	8,300,150

The accompanying notes form part of these financial statements.

PROM COUNTRY AGED CARE INC.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Commonwealth Government		4,847,805	4,710,828
Receipts from residents		1,790,438	1,739,919
Payments to suppliers		(1,913,620)	(1,301,904)
Payments to employees		(5,102,940)	(6,014,414)
Interest received		174,193	20,405
Interest paid		(22,280)	(23,634)
Fund raising and donations		19,646	12,771
Covid Reimbursement Grants		143,521	-
Op shop income		65,000	55,000
Other income		195,137	42,590
Net cash provided by / (used in) Operating Activities	13	196,900	(758,439)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(358,882)	(51,183)
Withdrawals from/ (additions to) financial deposits		2,316,586	1,156,794
Net cash provided by / (used in) Investing Activities		1,957,704	1,105,611
CASH FLOWS FROM FINANCING ACTIVITIES			
Refundable accommodation deposits received		3,250,000	4,310,000
Refundable accommodation deposits repaid		(5,494,540)	(5,500,319)
Net cash provided by / (used in) Financing Activities		(2,244,540)	(1,190,319)
NET INCREASE/(DECREASE) IN CASH HELD		(89,936)	(843,147)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		421,329	1,264,476
CASH AT THE END OF THE FINANCIAL YEAR	13	331,393	421,329

The accompanying notes form part of these financial statements.

PROM COUNTRY AGED CARE INC.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The financial statements cover Prom Country Aged Care Inc. as an individual entity. Prom Country Aged Care Inc. is an association incorporated in Victoria under the *Associations Incorporations Reform Act (Vic) 2012* and is also registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was authorised for issue by the Board of Management on 26 October 2023.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Standards of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Regulations 2022* ("ACNC Regulation"). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Notwithstanding the deficiency in net assets where the current liabilities exceed the current assets at balance date, the financial statements have been prepared on a going concern basis as the deficiency is primarily a result of the current classification of the total value of resident accommodation bond liabilities. This classification is required for financial reporting purposes given the association does not have a right to defer repayment of the liability; however, this does not reflect the forecast expected repayment trends for residents.

Additionally, in most cases, the cash outflows resulting from the settlement of a liability to a departing resident, leads to cash inflows of at least the same value for an incoming resident. The fact that current liabilities exceed current assets at balance date for financial reporting purposes does not affect the association's ability to continue to pay its debts as and when they fall due.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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 at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

b. Comparatives

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

c. Property, Plant & Equipment

Each class of property, plant and equipment are measured at cost, less where applicable accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Property, Plant & Equipment (continued)

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Buildings	2.5%
Fixtures and Fittings	10-30%
Plant and Equipment	10-30%

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 on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

d. Impairment of assets

At each reporting date, the carrying value of tangible and intangible assets (if any) are reviewed 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 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 income statement.

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

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured 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 an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 : Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss on the basis of the two primary criteria:
 - the contractual cash flow characteristics of the financial asset; and
 - the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The company initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the company was documented appropriately, so as the performance of the financial liability that was part of the company's financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the company made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

PROM COUNTRY AGED CARE INC.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (ie no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Recognition of expected credit losses in financial statements

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial asset that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. Refundable Accommodation Deposits

The liability for refundable accommodation deposits is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees pursuant to the Aged Care Act 1997. These liabilities are considered to be current as the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. The obligation to settle could occur anytime.

g. Leases

The association assesses at contract inception whether the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A single recognition and measurement approach is applied to all leases, except for short-term leases and leases of low-value assets. The association recognises liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The payment for leases not recognised as a right to use asset, are recorded as an expense when incurred.

The association has no leases where recognition of leases is required.

h. Employee Benefits

Short-term employee benefits

Provision is made for the association's obligation for short term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period to which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The association's obligations for short-term employee benefits are recognised as part of current trade and other payables in the statement of financial position.

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Employee Benefits (continued)

Other long-term employee benefits

Provision is made for the association's annual leave and long service leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any re-measurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur. The association's obligations for long term employee benefits are presented as non-current provisions in the statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

i. 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.

j. Revenue

The association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Prom Country Aged Care Inc activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Accounts receivable

Accounts receivable and other debtors include amounts due to from residents and other parties for services provided 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.

Accounts receivable as initially recognised at fair value and subsequently measured at the estimate recoverable amount taking into account any provision for impairment.

l. Accounts payable

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Goods and Services Tax

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 Tax Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Critical Accounting Estimates and Judgments

Estimates and judgments incorporated into the financial report are 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 association.

Key Estimates – Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the association's that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined, being the higher of the asset's value-in-use, based on expected net cash flows that will be received from the asset's employment and subsequent disposal, or fair value less cost of disposal in an active market.

Key Judgments - Provision for impairment of receivables

The collectability of receivables at 30 June 2023 has been assessed an appropriate provision for impairment of receivables has been calculated at 30 June 2023 as disclosed in Note 6 to the financial report.

o. New, Revised or Amending Accounting Standard and Interpretations Adopted

There has been no significant change in accounting policy during the financial year.

Any new, revised or amending Australian Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: REVENUE	2023	2022
Operating activities		
Government funding	4,492,953	4,531,008
Government respite funding	211,331	101,502
COVID-19 operating grants received	143,521	57,040
Department of Education funding	263,408	20,122
Resident fees	1,868,888	1,736,004
	6,980,101	6,445,676
Non-operating activities		
Interest income	174,193	22,286
Other income	169,096	110,361
Business improvement grant funding	95,545	177,755
	438,834	310,402
TOTAL REVENUE	7,418,935	6,756,078
 NOTE 3: DEPRECIATION EXPENSE		
<i>Depreciation of non-current assets:</i>		
Buildings	344,036	342,130
Plant & equipment	53,704	55,235
Furniture & fixtures	52,160	49,244
	449,900	446,609
 NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION		
Short term benefits	473,308	589,390
Post-employment benefits	-	-
	473,308	589,390
 NOTE 5: CASH AND CASH EQUIVALENTS		
Bank accounts - at call	331,193	421,329
Petty cash	200	-
	331,393	421,329
 NOTE 6: TRADE AND OTHER RECEIVABLES CURRENT		
Trade debtors	90,857	194,917
Less provision for bad and doubtful debts	(1,699)	(32,514)
GST refundable	28,978	25,277
	118,136	187,680
 NOTE 7: OTHER ASSETS		
Prepayments	43,166	35,906
Accrued interest	148,167	7,433
	191,333	43,339

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 8: FINANCIAL ASSETS	2023	2022
Term deposits & RAD deposit account	5,249,575	7,567,651
Capital works account	142,113	140,623
	5,391,688	7,708,274

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Freehold land at cost	1,004,451	1,004,451
Buildings at cost	13,919,564	13,616,109
Less accumulated depreciation	(2,953,323)	(2,609,287)
Total land & buildings	10,966,241	11,006,822
Plant & equipment at cost	758,035	723,871
Less accumulated depreciation	(573,794)	(520,090)
Total plant & equipment	184,240	203,781
Furniture & fixtures at cost	519,486	484,658
Less accumulated depreciation	(361,497)	(309,337)
Total furniture & fixtures	157,989	175,321
Capital works in progress	-	13,564
Total property, plant and equipment at written down value	12,312,921	12,403,939

Movements in Carrying Amounts	Land	Buildings	Plant & equipment	Furniture & fixtures	Total
Balance at start	1,004,451	11,020,387	203,781	175,320	12,403,939
Additions	-	289,891	34,163	34,828	358,882
Depreciation	-	(344,036)	(53,704)	(52,160)	(449,900)
Disposals	-	-	-	-	-
Balance at end of year	1,004,451	10,966,242	184,240	157,986	12,312,921

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT	2023	2022
Creditors and accrued expenses	265,189	138,115
PAYG withholding	64,588	66,956
	329,777	205,071

NOTE 11: REFUNDABLE DEPOSITS

Balance at 1 July 2022	11,025,810
Refundable deposits received	3,250,000
Bonds/refundable deposits repaid	(5,494,540)
Balance at 30 June 2023	8,781,270

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 12: EMPLOYEE BENEFITS

Analysis of total provisions	2023	2022
Current	730,531	631,531
Non-current	203,743	163,391
	934,274	794,922
Number of employees at year end (FTE)	53	59

NOTE 13: CASH FLOW INFORMATION

a) Reconciliation of cash for purposes of cash flows.

Bank accounts - at call	331,193	421,329
Petty cash	200	-
	331,393	421,329

b) Reconciliation of net cash provided by operating activities to deficit from operations:

Deficit from operations	(333,863)	(916,502)
<i>Non-Cash Flows in deficit from operations</i>		
Depreciation	449,900	446,609
<i>Changes in Assets & Liabilities</i>		
(Increase)/ Decrease in trade receivables & other assets	(78,450)	(16,100)
Increase/ (Decrease) in trade and other payables	124,706	(33,919)
Increase / (Decrease) in unexpended grant funding	(104,745)	(177,755)
Increase/ (Decrease) in provisions	139,352	(60,772)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	196,900	(758,439)

c) The association has no credit standby or financing facilities in place.

d) There were no non-cash financing or investing activities during the year.

NOTE 14: INTANGIBLE ASSETS

The association holds 68 bed licenses. Historically the association has not attributed a value to the bed licenses. Given the change in bed license policy from 1 July 2024, the bed licenses will no longer have a market value.

NOTE 15: RELATED PARTY TRANSACTIONS

Members of the Board of Management act in an honorary capacity apart from circumstances where a member may act in a special capacity and receives an honorarium.

Total honorariums paid were Nil. (2022 Nil).

Members of the Board of Management do not receive any benefit other than those available to any member of the association.

PROM COUNTRY AGED CARE INC.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, investments, accounts receivable and accounts payable.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Financial Risk Management Policies

The association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's financial transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring financial risk exposures are held on a regular basis and minuted by the Board of Management.

Financial Risk Exposures

(a) Interest Rate Risk

The association's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is not material.

(b) Credit Rate Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The association does not have any material credit risk exposure to any single debtor or group of debtors.

(c) Liquidity Risk

Liquidity risk arises from the possibility that the association may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by regularly reviewing available cash and future cash inflows and ensuring appropriate levels of cash are available to meet financial liabilities.

Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

NOTE 17: ECONOMIC DEPENDENCE

The association is substantially dependent on the receipt of continued funding from the Federal Government through the Department of Health and Aged Care. Federal funding requires recipient organisations to meet various quality assurance standards as specified from time to time.

NOTE 18: CONTINGENT LIABILITY

The association is subject to the provisions of the *Aged Care (Accommodation Payment Security) Act 2006*. The legislation states that should an aged care facility in Victoria be placed into liquidation with outstanding unpaid accommodation bond balances, the Department of Health and Aged Care may impose a levy in respect of the refund obligations to recover any shortfall in funds paid out. At the date of this report there is no known imposition of any levy.

NOTE 19: CAPITAL COMMITMENTS

There are no capital commitments to be disclosed as at 30 June 2023 and as at the date of this report (FY 2022; \$305,052)

PROM COUNTRY AGED CARE INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 20: AUDITOR'S REMUNERATION

Prom Country Aged Care Inc. appointed AMW (Audit) Pty Ltd as external auditor for the financial year ended 30 June 2023. PCAC external auditor for the year ended 30 June 2022 were Cardell Assurance & Audit Pty Ltd.

The totals shown below represent the remuneration paid by the association to Auditors:

	2023	2022
Audit of the financial report	13,000	8,200
Other services provided by the auditor	-	480
Remuneration for other services to related practices of the auditor	-	2,240
	13,000	10,920

NOTE 21: SUBSEQUENT EVENTS

There are no known subsequent events to be disclosed as at the date of this report.

NOTE 22: INCORPORATION

Prom Country Aged Care Inc. was incorporated under the *Associations Incorporation Reform Act (Vic) 2012* on 29 March 1990

NOTE 23: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Prom Country Aged Care Inc.
9 O'Connell Road
Foster VIC 3960

NOTE 24: SEGMENT NOTE

The Approved Provider, Prom Country Aged Care Inc operates solely within the Residential Aged Care sector.

PROM COUNTRY AGED CARE INC.

A0020440J

STATEMENT BY MEMBERS OF THE BOARD OF MANAGEMENT

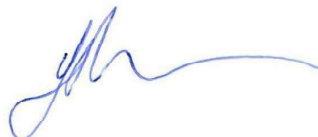
In the opinion of the Board of Management of Prom Country Aged Care Inc., the financial report as set out on pages 1 to 18:

- i) Presents a true and fair view of the financial position of Prom Country Aged Care Inc. as at 30 June 2023 and its performance for the year ended on that date, in accordance with Australian Accounting Standards - Simplified Disclosure Standards of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.
- ii) At the date of this statement there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:



Marie Larkin
Chair



Jake O'Hara
Treasurer

Date: 26/10/2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER ACNC ACT SECTION 60-40
TO THE MEMBERS OF THE BOARD OF PROM COUNTRY AGED CARE INC.**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Committee members of Prom Country Aged Care Inc. As the lead audit partner for the audit of the financial report of Prom Country Aged Care Inc. for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been 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
- any applicable code of professional conduct in relation to the audit.

Dated this 26th day of October 2023



AMW AUDIT
Chartered Accountants



MARTIN SHONE
Principal

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF MANAGEMENT OF PROM COUNTRY AGED CARE INC.

Opinion

We have audited the financial report of Prom Country Aged Care Inc. (the organisation) which comprises the statement of financial position as at 30 June 2023, 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 other explanatory information, and the Board of Management's declaration.

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

- (i) giving a true and fair view of the organisation's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 organisation 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.

Responsibilities of the Board for the Financial Report

The Board of Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the organisation'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 Board of Management either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

The Board of Management is responsible for overseeing the organisation's financial reporting process.

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 also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.
- 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 organisation'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 organisation to cease to continue as a going concern.
- 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 with the Board of Management 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.



AMW AUDIT

Chartered Accountants

Address: Unit 8, 210 Joondalup, Western Australia



MARTIN SHONE

Principal & Registered Company Auditor

Registered Company Auditor Number - 314299

Dated at Perth, Western Australia this 26th day of October 2023



INDEPENDENT AUDITOR'S REPORT

To the Board of Management of Prom Country Aged Care Inc. and the Secretary of the Department of Health and Aged Care.

Report on Prom Country Aged Care Inc.'s compliance with the *Aged Care Act 1997* and the *Fees and Payments Principles 2014 (No.2)*.

We have audited the compliance of Prom Country Aged Care Inc. with the requirements of Part 5, Part 6 and Part 7 of the *Fees and Payments Principles 2014 (No.2) (as amended)* (Fees and Payments Principles) for the year ended 30 June 2023.

Board of Management's Responsibility

The Board of Management of Prom Country Aged Care Inc. are responsible for compliance with the Act and the User Rights Principles and for such internal control as the Board of Management determine is necessary for compliance with the Act and the Fees and Payments Principles. The responsibilities of the Board of Management include requirements under the Act and the Fees and Payments Principles for the preparation and presentation of the Annual Prudential Compliance Statement (APCS) and compliance with the Prudential Standards contained within the Fees and Payments Principles.

Auditor's Responsibility

Our responsibility is to form and express an opinion on Prom Country Aged Care Inc.'s compliance, in all material respects, with the prudential requirements of the Act and the Fees and Payments Principles.

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

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Guide. The audit procedures have been undertaken to form an opinion on compliance of Prom Country Aged Care Inc. with Part 5 of the Fees and Payments Principles. Audit procedures include obtaining evidence relating to refundable deposits, accommodation bonds and entry contributions held; refunds of refundable deposits, accommodation bond balances and entry contributions; limits on charging refundable deposits, accommodation bonds; compliance with the Prudential Standards relating to liquidity, records, governance and disclosure; and use of refundable deposits and accommodation bonds.

Use of Report and Restriction on Distribution

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

Inherent Limitations

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

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

Opinion

The Prom Country Aged Care Inc. has complied, in all material respects, with the requirements of Part 5, Part 6 and Part 7 of the *Fees and Payments Principles 2014 (No.2) (as amended)*, for the period 1 July 2022 to 30 June 2023.



AMW AUDIT

Chartered Accountants

Address: Unit 8, 210 Joondalup, Western Australia



MARTIN SHONE

Principal & Registered Company Auditor

ASIC Auditor Number : 453041

Dated at Perth, Western Australia this 30th day of October 2023