



SUNDALE

Because we care

# Annual Report

2021

# Thank you, John.



Sundale would like to acknowledge and thank board member, John Woodward, who is stepping down at the upcoming Annual General Meeting.

John joined the Sundale board in 2012 and has been an astute leader and calming voice of reason for the past decade.

A consultant pharmacist, John's passion for health and determination to deliver exceptional care has resulted in countless positive outcomes for Sundale's residents, care recipients and team members.

As Chairperson, Deputy Chairperson and as a board member, John has also played a key role in the transformation of Sundale, which will deliver ongoing benefits to the community for decades to come.

On behalf of the entire Sundale community, thank you, John for your hard work, passion and kindness. You will be missed.

# Highlights

COMPREHENSIVE INCOME OF  
**\$7.73m**

CREATION OF SUNDALE'S  
**10 YEAR**  
STRATEGIC PLAN



SALE OF LAZY ACRES  
AND MONTE CARLO  
CARAVAN PARKS

**11,500+**  
CARE CENTRE ACTIVITIES



FINAL RELEASE AT  
COOLUM WATERS  
RETIREMENT COMMUNITY

**35,000+**  
IN HOME CARE SERVICES

# Purpose

Sundale empowers its residents and care recipients to live the life they choose, within a caring and supportive community.

Sundale offers a range of stimulating and engaging lifestyle activities and services including continuum of care at its Retirement Communities and Care Centres.

If you're happy and feel supported in a community, the last thing you want is to move when your needs change.

Sundale can provide additional care, meals and assistance in your home, if and when you need it.

All of Sundale's services focus on providing comprehensive high-quality care, underpinned by dignity, choice and the desire to maximise its residents and care recipients' independence.

# Vision

Sundale has been part of the Sunshine Coast community since 1963 and is extremely proud of its heritage and strong foundations.

Sundale will always honour its past, but is focused on a new, modern future so it can cater to the evolving needs of the community for decades to come.

To make this vision a reality, Sundale will continue to be agile and explore retirement and lifestyle options through the prism of future needs, including technology and amenity.

Sundale is committed to being there for its residents and care recipients when they need us and is focused on developing innovative service models which create meaningful communities.

# Values

Sundale's values underpin its purpose and reflect the standard of care you can expect at Sundale.

Sundale is committed to:

## ACCOUNTABILITY

Sundale takes responsibility for the trust you place in us.

## DIGNITY, RESPECT AND CHOICE

Sundale understands that you and your family, friends and health professionals are the best people to help you make decisions.

Sundale will spend time getting to know you, to better understand what matters most.

## MAKE A DIFFERENCE

Sundale strives to make a difference in people's lives every single day.

# Chairperson's Report

Sundale has done more than weather the dual challenges of the Royal Commission into Aged Care Quality and Safety and COVID-19 – it has flourished.

This outcome reflects the unwavering commitment and hard work of Sundale's team members and volunteers and the support of our care recipients, residents, In-Home Care clients and members.

Thanks to excellent management and considered planning, Sundale is in an enviable position, despite the enormous financial and COVID-19 related challenges facing the sector.



As an organisation we welcomed the Australian Government's response to the Royal Commission into Aged Care Quality and Safety, however, the allocation of an additional \$17.7bn over the next five years is insufficient to fix the aged care sector which remains broken and severely underfunded.

The allocation of \$6.5b for 80,000 new care packages over the next two years for senior Australians who want to remain at home is a fantastic move, however, it does fall short, considering there are more than 100,000 older Australians currently waiting for home care packages.

The decision to mandate more care minutes per day for care recipients, fund training opportunities for existing aged care workers and help more people to enter the industry are great initiatives, however, more is desperately needed.

Real and lasting change will only occur when Australia's decision makers prioritise aged care and fund it accordingly. Despite the headlines and talk surrounding the Royal Commission into Aged Care Quality and Safety, the truth is Australia spends less than half of its GDP on aged care compared to other OECD nations.

Against the backdrop of the Royal Commission into Aged Care Quality and Safety and the ongoing threat of COVID-19, Sundale created a framework which will completely redefine aged care on the Sunshine Coast and ensure long-term financial stability for Sundale.

Backed by independent research and comprehensive consumer analysis, the implementation of Sundale's strategic plan will be transformative, allow Sundale to deliver unrivalled care and provide members of the community with a range of services which will enhance their independence.

There is no doubt Sundale must change to ensure its long-term sustainability and profitability. Thanks to extensive research, including focus groups with existing residents, we understand what our customers want - continuum of care and access to services which will support their changing needs.

Importantly, recommendations outlined by the Royal Commission into Aged Care Quality and Safety and endorsed by the Australian Government have informed Sundale's strategic plan, which will ensure care recipients, residents or In-Home Care clients have access to a range of services, irrespective of their care needs.

I would like to thank and congratulate Sundale CEO, Danielle Mackenzie for her vision and tenacity in creating Sundale's strategic plan. In partnership with her outstanding Executive Leadership Team, she has created a framework which will ensure Sundale not only survives, but thrives for decades to come.

There has been an important change in the Financials section of the Annual Report, with assets now re-valued to reflect their current market value. This decision brings Sundale in line with other not-for profit organisations and property-based ASX-listed companies.

I would also like to congratulate the team for the successful sale of the final release at Coolum Waters Retirement Community and for selling two of Sundale's three caravan parks, Lazy Acres at Torquay and Monte Carlo at Cannon Hill.

On behalf of the Board, I would like to thank every single team member for their work and dedication throughout the past year.

On a personal note, I would also like to thank my fellow Board Directors for their energy and commitment throughout the past year, especially Deputy Chairperson, Steve Telburn for his support and counsel.

Welcome also to Derek Lundberg, who joined the Board in the past year and brought a new way of thinking to Sundale.

Finally, thank you and farewell to John Woodward who is stepping down at the upcoming AGM. A calm leader, John has dedicated almost a decade to Sundale and will be missed.

**Troy Wainwright**  
BOARD CHAIRPERSON

# The transformation



Sundale is about to embark on a journey that will completely redefine aged care on the Sunshine Coast.

Backed by extensive independent research and consumer analysis, the implementation of Sundale's strategic plan will completely transform the organisation in the coming decade, deliver unparalleled care and provide retirees and care recipients with both the services they want and didn't know they needed.

Sundale must change to ensure its long-term sustainability and profitability. Thanks to comprehensive consumer research, we understand what our customers want - continuum of care and access to services which will support their changing needs.

Recommendations outlined by the Royal Commission into Aged Care Quality and Safety and endorsed by the Australian Government have also informed Sundale's strategic plan, specifically, National Design Standards for Residential Aged Care, a focus on dementia friendly facilities and the release of 80,000 additional home care packages.

Underpinning the transformation at Sundale is the consumer, be they care recipients, residents or In-Home Care clients. Irrespective of their care needs, Sundale will have a solution and provide everything from medical, respite and dementia care and support to home maintenance, cleaning, transport and a range of emotional, social and wellbeing services.

Sundale's transformation will begin at Nambour Garden Village.

Small cluster housing options, which will be unique to Sundale on the Sunshine Coast, will consist of ten-bedrooms and ten-bathrooms. Designed around a communal living and dining area, the houses will remind care recipients of their very own home.

A multidisciplinary team will offer care recipients around-the-clock support and deliver services similar to those currently offered at Sundale's traditional Care Centres.

The small cluster housing option at Nambour will also cater to people with dementia and offer exceptional care within an environment where care recipients can live as individuals and where families can be involved in day-to-day activities.

Thoughtfully designed and built care apartments will provide consumers with a variety of long and short-term accommodation options including respite and transitional care.

The care apartments will be available to consumers requiring additional assistance following a hospital stay, in need of rehabilitation support or palliative care.

Self-contained two and three-bedroom independent living units will also be built on the Doolan Street site and will be serviced by Sundale's specialist In-Home Care team.

Sundale will also build a new clubhouse, care delivery centre and its long-term corporate headquarters on the Nambour site.

Sundale's In-Home Care team will be expanded to support the delivery of additional services throughout the Sunshine Coast region, including home maintenance and a range of health and wellbeing solutions.

This expanded offering will support consumers who want to maintain their independence at home and allow Sundale to strengthen its continuum of care offering throughout the Sunshine Coast.

In-Home Care hubs at each Sundale location will also be a feature of Sundale's transformation.

At Tewantin, the McKinnon Drive site will feature a blend of care apartments, small cluster housing options, independent living units, a clubhouse and a specialist care delivery centre.

The site will feature independent living apartments, consisting of studio, one and two-bedroom options and feature a host of extras which will allow residents to remain independent for as long as possible.

It will be serviced by Sundale's In-Home Care team and offer residents a range of specialist services including home maintenance, cleaning, transport and a variety of social services.

Throughout the transformation, Sundale will constantly re-evaluate, review and apply key learnings garnered at Nambour and Tewantin before commencing construction at Palmwoods Garden Village, Rotary Garden Village and Coolum Waters.

Innovative technology will also be at the forefront of Sundale's transformation.

This focus will ensure residents, care recipients and clients can remain connected with family and friends and access the services they need, whenever they want.

Sundale is proud of its approach and the role it will play transforming the way aged care is delivered on the Sunshine Coast.

# Care Centres



With eight locations servicing the Sunshine Coast, Gladstone and Kilcoy, Sundale's Care Centres blend outstanding support with caring, compassionate staff to deliver unmatched care and assistance services.

# 6

LOCATIONS



### ROTARY GARDEN VILLAGE

98 Windsor Road, Nambour, QLD 4560



### COOLUM WATERS

4 Wembley Rd, Coolum Beach, QLD 4573



### NAMBOUR GARDEN VILLAGE

35 Doolan Street, Nambour, QLD 4560



### PALMWOODS GARDEN VILLAGE

61 Jubilee Dr, Palmwoods, QLD 4555



### BINDAREE

1 Beacon Ave, Boyne Island, QLD 4680



### ALOAKA

52 Taylor St, Kilcoy, QLD 4515



# 411

CARE RECIPIENTS



# 58

REGISTERED NURSES



# 239

CARERS



# 127

SUPPORT STAFF



# 11,962

ACTIVITIES



# 70

VOLUNTEERS

## IN DETAIL

### BINDAREE

- 40 One-bedroom units
- 32 Carers
- 6 Registered nurses
- 8 Enrolled nurses
- 1 Clinical nurse
- 25 Support staff
- 1 Lifestyle coordinator
- 3 Lifestyle assistants
- 34 Volunteers (includes Friends of Bindaree)
- 500+ Activities annually

### ROTARY GARDEN VILLAGE

- 50 One-bedroom units
- 28 Carers
- 7 Registered nurses
- 4 Enrolled nurses
- 1 Clinical nurse
- 13 Support staff
- 1 Lifestyle coordinator
- 1 Lifestyle assistant
- 4 Volunteers
- 650+ Activities annually

### COOLUM WATERS

- 50 One-bedroom units
- 34 Carers
- 6 Registered nurses
- 5 Enrolled nurses
- 1 Clinical nurse
- 12 Support staff
- 1 Lifestyle coordinator
- 1 Lifestyle assistant
- 3 Volunteers
- 600+ Activities annually

### BOWDER

(Nambour Garden Village)

- 32 One-bedroom units
- 17 Carers
- 7 Registered nurses
- 7 Enrolled nurses
- 1 Clinical nurse
- 4 Support staff
- 1 Lifestyle coordinator
- 1 Lifestyle assistant
- 1 Volunteer
- 2,936 Activities annually

### MCGOWAN

(Nambour Garden Village)

- 53 One-bedroom units
- 17 Carers
- 7 Registered nurses
- 7 Enrolled nurses
- 1 Clinical nurse
- 3 Support staff
- 1 Lifestyle coordinator
- 1 Lifestyle assistant
- 2 Volunteers
- 3,200 Activities annually

### JAMES GRIMES CARE CENTRE

(Nambour Garden Village)

- 75 One-bedroom units
- 37 Carers
- 7 Registered nurses
- 4 Enrolled nurses
- 1 Clinical nurse
- 42 Support staff
- 1 Lifestyle coordinator
- 1 Lifestyle assistant
- 11 Volunteers
- 1,040 Activities annually

### ALOAKA

- 40 One-bedroom units
- 23 Carers
- 5 Registered nurses
- 7 Enrolled nurses
- 1 Clinical nurse
- 12 Support staff
- 1 Lifestyle coordinator
- 2 Lifestyle assistants
- 10 Volunteers
- 936 Activities annually

### PALMWOODS GARDEN VILLAGE

- 71 One-bedroom units
- 51 Carers
- 13 Registered nurses
- 6 Enrolled nurses
- 1 Clinical nurse
- 16 Support staff
- 2 Lifestyle coordinators
- 1 Lifestyle assistant
- 5 Volunteers
- 2,100 Activities annually



## Ann Bryan

Resident

Ann Bryan and her husband David have called Palmwoods Garden Village home for two years.

Originally from the UK, the couple moved to Australia as newlyweds in 1969 chasing opportunity and lifestyle, and that's exactly what they got.

"We opened our own restaurant, and I don't think we would've had that opportunity in the UK," Ann said.

The couple spent more than a decade living on Sydney's northern beaches, and then on the Central Coast, but by 1984 they were ready for a change.

"We were thinking of moving to Brisbane, but when we saw the Sunshine Coast, we thought it was much nicer."

However, it wasn't the Coast's pristine beaches that won the couple over.

"We love bushwalking, so the hinterland is where we love to be," Ann said.

That's why when they decided to downsize, they felt right at home at Palmwoods Garden Village.

"We love it because the shops are a short walk in one direction, but we are also on the edge of the countryside. If you go the other way you end up walking past paddocks."

After living on acreage, Ann said the gardens and the unit's size were very attractive.

"We have two children, eight grandchildren and a new great-great grandson," Ann said.

"We've got a huge veranda, so when we get together at Christmas there's still plenty of room."

Ann and David have embraced the Sundale community.

"We strongly recommend it. You can become as involved as you want, and you have good neighbours.

"Our friends love it here, and we've made lots of new friends too."

Ann produces the Palmwoods Garden Village newsletter and sits on the Residents' Committee. The couple is also involved in the broader community. Keen photographers, they are proud members of the Caloundra Camera Club.

# Retirement Communities



4

LOCATIONS



328

RESIDENCES



33

FURRY FRIENDS



1,300

ACTIVITIES

Blending independence, outstanding support and modern accommodation with caring, compassionate staff, Sundale is the perfect place to call home.

Sundale also offers a range of packages, which are tailored to suit individual needs and financial situations.

## IN DETAIL

### ROTARY GARDEN VILLAGE

- 24 One-bedroom units
- 52 Two-bedroom units
- 4 Three-bedroom units

### COOLUM WATERS

- 35 Two-bedroom units
- 88 Three-bedroom units

### NAMBOUR GARDEN VILLAGE

- 18 Two-bedroom units

### PALMWOODS GARDEN VILLAGE

- 81 Two-bedroom units
- 26 Three-bedroom units



## Greg Waugh

**In-Home Care client**

When Greg Waugh had a stroke 13 years ago, he was told he would never walk again.

"I proved that Doctor wrong," Greg said.

While Greg can now walk short distances unassisted, his stroke has made daily tasks challenging.

Fortunately, he has Sundale's dedicated In Home Care team to make life that little bit easier.

Carers visit Greg every morning and night.

"They are absolutely amazing, especially Linda and Hayley.

"My wife died 10 years ago, so they're great company."

Originally from Grenfell in New South Wales, Greg moved to the Sunshine Coast partly for its beautiful weather and landscapes.

"My brother-in-law was also moving from Papua New Guinea to the Sunshine Coast," Greg said.

"We were always close."

Now living at Little Mountain, Sundale's specialist In-Home Care service has allowed Greg to stay close to his favourite neighbour – his son.

The pair are classic car enthusiasts, and still visit car shows together.

"I don't know where I'd be without Sundale."



# In-Home Care

You can't put a price on the peace of mind and convenience of having specialist care in your own home.

Sundale's specialist In-Home Care team works closely with you, your family and team of health professionals to develop a tailored plan that suits you and your lifestyle, boosts your independence and allows you to stay in your home for longer.



## 75km

WORKING RADIUS

### SUNSHINE COAST

75km radius from Rotary Garden Village  
(98 Windsor Road, Nambour, QLD 4560)



## 268

CUSTOMERS



## 8,123

LOADS OF WASHING



## 2,224

OUTINGS



## 28

IN-HOME CARERS



## 6,751

BEDS MADE



## 546,000

KILOMETRES TRAVELLED



## 35,218

SERVICES



# COVID-19

In the midst of a once in a generation global pandemic, Sundale’s team members have not baulked, whinged or complained, instead they’ve shown enormous compassion, kindness and leadership, often under extremely trying circumstances to care for and support Sundale’s care recipients and residents.

The Sundale COVID-19 Response Team (SCRT), which was established in FY20 to effectively direct and oversee organisational governance to help reduce the threat of COVID-19 entering a Care Centre or Retirement Community, continued to play a key role.

In addition to managing restrictions imposed by the Queensland Government, the SCRT was responsible for COVID-19 preparation and planning, including:

- The expert management of Sundale’s PPE stockpile which ensured team members had access to COVID-19 specific PPE stock, irrespective of their location.
- The creation of a COVID-19 specific Response Plan which included a step-by-step guide of what to do following the identification of a positive COVID-19 case.

The Response Plan also contains a comprehensive checklist, which Sundale management and team members will follow in the event of a positive COVID-19 case.

- The creation of stand-alone Infection Control locations in the event care recipients require complete isolation. These locations are stocked with all the necessary equipment to appropriately manage an outbreak.
- The identification of team members with relevant skill sets who are willing to assist on the front line in the event of a COVID-19 outbreak.

To provide ongoing clarity during the evolving COVID-19 situation, Sundale frequently updated its own roadmap to easing restrictions.

The four-phased roadmap outlines what care recipients and their family and friends can and cannot do in the current COVID-19 environment and aligns with recommendations from the Queensland Government and the Residential Aged Care Direction.



## Betty Bampton

### Care recipient

Betty Bampton’s cheeky personality has been keeping team members at McGowan Care Centre on their toes for the past five years.

“I’m 92 years young,” Betty said.

Betty has called the Sunshine Coast home for seven decades. After marrying her husband George in 1946, the couple purchased a dairy farm on the outskirts of Palmwoods.

“We also grew pineapples and bananas.”

They eventually moved into town, where George ran his tractor contracting business.

During their retirement they lived in Yandina, then Woombye; however, as they grew older and in need of more support, they both made the move to McGowan Care Centre.

George sadly passed away six months later, however, Betty didn’t let her husband’s death diminish her zest for life.

She’s a force to be reckoned with at McGowan’s weekly Bingo game, but is adamant her luck depends on who’s calling the numbers.

“I love the carers and nurses, they’re marvellous. You couldn’t wish for anyone better to look after you,” Betty said.

“I recently found out I have diabetes, so they’ve helped me with that.”

Betty has five children, 13 grandchildren, 32 great grandchildren and six great-great grandchildren.

With so many loved ones, she’s never short on visitors. Her daughter, Kay Lynch, also lives a stone’s throw away at Rotary Garden Village, and the pair see each other often.

Visitors aside, Betty is quite the social butterfly.

“I like making friends with everyone, but I have one special friend – Eunice. She’s in the room next to me.”



# Royal Commission into Aged Care Quality and Safety

In May the Australian Government very quietly responded to the Royal Commission into Aged Care Quality and Safety's recommendations.

Headlining their response was a promise to inject \$17.7bn over five years into aged care.

Sundale is pleased the sector is finally getting the attention and funding it deserves so there can be real and lasting change. It is what older and vulnerable Australians deserve and need, as it will help deliver better care and services.

However, it has been a long time coming and must be the first of many well-conceived, outcomes-driven steps.

The allocation of \$6.5b for 80,000 new care packages over the next two years for senior Australians who want to remain at home is a fantastic start, however, it does fall short, considering there are more than 100,000 older Australians currently waiting for home care packages.

The decision to mandate more care minutes per day for care recipients, fund training opportunities for existing aged care workers and help more people to enter the industry are great initiatives, however, more is needed.

In total the Royal Commission made 148 recommendations. Pleasingly, the Australian Government supported the majority of them, however, further clarification on the extent of the support is still to be provided.

## KEY POINTS

- The new Aged Care Act, set to come into force in July 2023, will legislate increased reporting and monitoring requirements for aged care providers. This relates to both operational and financial information.
- The new Act will impose a statutory duty on providers to ensure care is of high quality.

- The Aged Care Quality and Safety Commission will be abolished, with a new independent Aged Care Safety and Quality Authority to be established (overseen by a 5-member board).
- An urgent review of the Aged Care Quality Standards will be undertaken by 15 July 2021.
- The Australian Government is backing a new support at home program, which is intended to commence from July 2023, following sector consultation and further model development.
- The Australian Government will provide an additional \$6.48 billion over the forward estimates to release 80,000 additional home care packages (40,000 in 2021-22 and 40,000 in 2022-23).
- An independent pricing authority will be established, however final aged care pricing decisions are up to the Minister for Health.
- The Australian Government is leaving the issue of aged care worker remuneration up to the Fair Work Commission.
- Increased funding of \$10 per day Government Basic Daily Fee Supplement (commenced July 2021).
- Primary Health Networks will receive greater government funding to assist with planning for aged care needs, as well as to provide support for palliative and telehealth services.
- Aged care providers will receive a star rating, which will be displayed on the My Aged Care website.
- The Aged Care Quality and Safety Commissioner will have broader powers.
- Additional funding will be provided to support services that meet the recommended minimum 200-minute care time standard. A registered nurse will also be required on site for 16 hours a day.
- \$5.4 million to develop online training for nurses and personal care workers to update their skills.
- National Design Standards for Residential Aged Care to be developed (e.g. making traditional facilities dementia friendly etc.)
- The Government supports immediate funding for education and training of aged care workers.
- The Australian Government supports the Government-led departmental governance model proposed by Commissioner Briggs.
- The Australian Government has rejected the Commissioners' recommendation for a Productivity Commission investigation of the aged care system through an Aged Care Levy.
- The Australian Government also rejected Commissioner Briggs' recommendation to introduce a new earmarked Aged Care Improvement Levy.

Australia spends approximately 1.2 per cent of its GDP on aged care compared with the OECD average of 2.5 per cent.

There can be no disputing the additional \$17.7bn over the next five years is a great start, but it's not enough for a sector which has been on its knees for the best part of two decades.

Sundale's hope is the Australian Government's decision to support the majority of the Royal Commission into Aged Care Quality and Safety's recommendations is a line in the sand moment that kickstarts the sector's transformation.

# Governance

Sundale's Board is accountable for the strategy, performance, compliance and risk management of the organisation.

Responsible for the overall governance of Sundale, the Board ensures the continuity and long-term viability of the business.

To properly evaluate opportunities and risks faced by Sundale, Board Directors have a responsibility to understand the complexities of the aged care sector, specifically operations, controls, regulatory obligations, technology, types of transactions and the evolving political, social and economic environment.

Board responsibilities include:

- Strategy, policies and governance
- Establishing and observing high ethical standards and approving high level policies;
- Approving the strategic direction of Sundale;
- Monitoring the implementation Sundale's strategic direction by the Chief Executive Officer;
- Approving Board policy documents;
- Establishing and determining the powers and functions of all Committees of the Board to ensure their effective operation and performance against their Terms of Reference; and
- Setting the cultural standards expected at Sundale.

## Management

- Appointing and removing the Chief Executive Officer;
- Appointing and removing the Company Secretary;
- Recommending the appointment of an external auditor to members;
- Monitoring the performance of the Chief Executive Officer; and

- Oversight of Sundale, including its control and accountability systems.

## Financial

- Input to, final approval of, and monitoring performance against the corporate strategy, annual business plan and budget;
- Approving and monitoring the progress of major capital expenditure, capital management and property acquisitions;
- Approving and monitoring financial expenditure;
- Ensuring Sundale's assets are safeguarded;
- Approving expenditure outside the approved budget and delegations; and
- Monitoring the performance of external auditors.

## Compliance and risk

- Ensuring appropriate mechanisms are in place to monitor compliance in line with all legal and regulatory obligations;
- Reviewing and ratifying systems of risk management and internal compliance and controls, codes of conduct, legal compliance and other significant corporate policies; and
- Reviewing the effectiveness of the implementation of Sundale's risk management systems at least once a year.

Underpinning the Board's commitment to clinical governance, a stand-alone Quality and Safety Committee has been in operation for the past year.

The committees' focus is the clinical and safety aspects of Sundale's operations, which acknowledges the importance of the Single Aged Quality Framework and Standards.

The standards mandate a shift away from traditional models of care and require a dramatic transformation which prioritises quality care for consumers.



## Julie Davison

### Team Member

Julie Davison is the friendly face behind the desk at Sundale's HQ.

When she started in 2019, she became the second member of her family to join the organisation.

"My daughter Megan works for Sundale as an Enrolled Nurse and she told me about the job," Julie said.

Previously a wards person at a hospital, Julie said she discovered her passion for aged care when she started caring for the elderly.

"It wasn't until I started in aged care that I realised it was a passion. It's been such a positive experience.

"We go into their homes every day; it's not just a job, it's a calling."

Julie worked as a carer for a private company for several years, but when a role became available at Sundale, it seemed a natural fit.

While Julie's official title is HQ Receptionist and Office Coordinator, she often volunteers to help across Sundale's sites.

"Through COVID-19 I've done stints at Rod Voller, Coolum Waters and Palmwoods Gardens Care Centres," Julie said.

"It's been great because it's helped me learn how they do things and I've come to know people at other sites.

"I like everything about Sundale, the team members – everyone is so friendly, and I like having a chat with the residents too."

# Work, Health & Safety



Sundale prioritised a number of Work, Health & Safety initiatives in the past year and nurtured a culture of consultation and collaboration.

The Health and Safety Representative Committee continued to champion support, consultation and participation amongst Sundale team members.

The Operations Team conducted monthly site audits (Moving on Audits), while external auditors examined Sundale's WH&S and Food Safety policies and procedures. Pleasingly, Sundale's Care Centres achieved wonderful results and are fully accredited.

Focus Safety Group completed a review of Sundale's evacuation diagrams, with more than 500 maps evaluated.

In the past financial year, the Workers' Compensation Regulator renewed Sundale's licence to be self-insured for workers' compensation claims. Sundale received a performance benchmark score of 84.94% and was issued with a renewed four-year Aged Care Employers Self Insurance licence alongside Bolton Clarke and TriCare. Sundale is a member of the Aged Care Employers' Scheme for workers' compensation.

There were two incidents in the past year that were reportable to Workplace Health and Safety / Workers' Compensation Regulator. No follow up was required as the Inspector from the regulator was satisfied with Sundale's management of the incidents and the actions taken to prevent any recurrence.

The creation of Sundale's new three-year Health and Safety Management Plan is in its final stages and has been informed by ISO 45001 and AS/NZS 4801:2001 Occupational health and safety management systems, and aligns with Safe Work Australia's Australian Work Health and Safety Strategy 2012-2022.

The new Health and Safety Management Plan will include a commitment to:

- Providing safe and healthy working conditions for the prevention of work-related injury and ill health;
- Eliminating hazards and reducing occupational, health and safety risks;
- Consultation and participation of team members, and, where they exist, team members' representatives.

Sundale has also adopted the 13 responsibilities from the ISO 45001 into its Health and Safety Management Plan. Some of these responsibilities include:

- Ensuring the integration of health and safety management system requirements into the organisation's business processes;
- Communicating the importance of the management system and of conforming to the requirements of the management system;
- Ensuring and promoting continual improvement;
- Developing, leading and promoting a culture in the organisation that supports the intended outcome of the management system;
- Protecting team members from reprisals when reporting incidents and hazards.

ACTION AREA	OUTCOME	STRATEGIES	MEASURE	↑↓	RESULT
Healthy & safe by design	Work, work processes and systems of work are designed and managed to eliminate or minimise hazards and risks.	<b>Workplace safety inspections</b> All workplaces are regularly inspected to identify and address hazards.	<b>Quarterly</b> via Work, Health & Safety Inspection Tool in every entity.	↑	95%*1
		<b>Risk assessments</b> Risk assessments are conducted whenever a hazard is identified or reported to a Health & Safety Representative or Management.	<b>Monthly</b> 100% of identified hazards have a risk assessment completed.	→	*2
		<b>Risk control</b> When a hazard's residual risk rating remains medium or higher, the hazard is escalated to a risk, controls are documented and monitored for effectiveness.	<b>Monthly</b> 100% of risk level of medium and above are controlled in the Risk Register.	→	*3
		<b>Pre-purchase checklists</b> Pre-purchase checklists are completed for all new plant and equipment.	<b>Monthly</b> 100% new plant and equipment has pre-purchase checklists completed.	→	*4

\*1 – Increase due to Ops team now undertaking WPI from Jan 2021.

\*2 – Completed by Health Safety Compliance Manager during this period.

\*3 – Completed by Health Safety Compliance Manager during this period.

\*4 – Undertaken by Procurement during this period.

ACTION AREA	OUTCOME	STRATEGIES	MEASURE	↑↓	RESULT
Health and safety capabilities	Everyone at Sundale has the work health and safety capability they require and work health and safety skills development is integrated effectively into relevant training programs	<b>Orientation</b> All team members are oriented to Sundale and provided with appropriate WH&S training: WH&S Policy, Safe Work Procedures, Seek & Finds, i.on my care – incident, hazard & risk reporting.	<b>Monthly</b> 100% of team members fully oriented within one month of commencement.	↓	70%*5
		<b>Emergency Response and Evacuation Plans</b> Are current and comply with the Building Fire Regulations 2008	<b>Annually</b> Work, Health & Safety Inspection Tool indicates compliance.	↑	100%
		<b>Work, Health &amp; Safety Seek and Find</b> All new team members complete a Seek & Find within two days of commencing work.	<b>Monthly</b> 100% new team members have completed Seek & Find.	↓	75%
		<b>Person Conducting a Business or Undertaking (PCBU) Officer competency</b> All Sundale office holders undergo health and safety due diligence training periodically.	<b>Tri-annually</b> 100% of office holders complete appropriate due diligence training.	↓	75%
		<b>Emergency preparedness</b> Emergency response and critical incident response testing is carried out annually.	<b>Annually</b> each entity completes emergency response testing.	→	100%

\*5 – Impacted by COVID restrictions.

ACTION AREA	OUTCOME	STRATEGIES	MEASURE	↑↓	RESULT
Leadership and culture	Sundale leadership drives improved work health and safety and fosters a culture of consultation and collaboration which actively improves health and safety culture; health and safety is given priority in all work processes and decisions	<b>Team member meetings</b> Safety is a standing agenda item for all team meetings and minutes record discussions relating to health and safety.	<b>Quarterly</b> health and safety discussions are recorded in all team meeting minutes.	↑	95%
		<b>Health and Safety Committee Meetings</b> Health and safety representatives attend quarterly meetings to represent their Workgroups.	<b>Quarterly</b> every workgroup is represented at each meeting.	→	25%*6
		<b>Annual mandatory training</b> All team members complete relevant mandatory training.	<b>Annually</b> 100% of team members have completed annual mandatory training.	↓	70%
		<b>Regular awareness raising activities</b> Different monthly, appropriate health and safety focus.	<b>Monthly</b> health and safety calendar of scheduled focus activities is achieved.	→	85%
Research and evaluation	Research is targeted and evidence used to improve health and safety.	<b>Incident reporting</b> All elder, client and workplace incidents are reported in i.on my care.	<b>Monthly</b> 100% of incidents reported are analysed to determine trends.	↑	92%
		<b>Workplace Incident investigation</b> All incidents are investigated and preventive actions identified and implemented where practicable.	<b>Monthly</b> 100% of workplace incidents are investigated, control measures implemented where practicable and closed.	↑	95%

\*6 – Next ¼ meetings have been held and ongoing scheduled for 2021/ 2022.

# The Board



**Troy Wainwright**  
**CHAIRPERSON**

*BBus, CPA, MBA*

Director of Coastal Patios since 2012 and has experience in construction, manufacturing, tourism and property-based industries.

*Joined the Sundale Ltd Board in 2015.*



**Steve Telburn**  
**DEPUTY CHAIRPERSON**

*MBA, BSc, GAICD*

Managing Director of technology and innovation advisory firm with 14 years of Board Director experience. Extensive IT experience and an appointee of Innovation and Science Australia, a statutory board that advises the government on innovation and science matters. Previously the CEO of various technology companies and has led the implementation of IT systems in large organisations.

*Joined the Sundale Ltd Board in December 2019.*



**John Woodward**  
**DIRECTOR**

*BPharm(Hons), MHM, Adv. Prac. Pharm., BCPS, BCGP, GAICD*

Advanced practice pharmacist now specialising in general and geriatric medicine pharmacy.

Provides clinical pharmacy services in general medical practices and has a long history of managing community pharmacies. Graduate Member of the Australian Institute of Company Directors.

*Joined the Sundale Ltd Board in 2012 and took on the role of Chairperson in 2018.*



**Anita Phillips**  
**DIRECTOR**

*BA/Dip.Soc.Studs; MPA; Grad.Dip.Leg.Studs*

Experience as a Social Worker within many fields of practice, including aged and disability care, and also contributing to the formation of social policy.

Extensive government experience, including as a Member of Queensland Parliament and at Executive level with Federal, State and Local government departments.

*Joined the Sundale Ltd Board in 2017.*



**Ian Hall**  
**DIRECTOR**

*Dip.Tech, B.Ed*

40 years involvement in Education, including 25 years as Principal. The last 10 years has been as School Auditor which involves reviewing the actions of School Boards and Committees. Extensive experience working with government regulations and policies.

Born in Nambour with numerous family connections to Sundale.

*Joined the Sundale Ltd Board in 2019.*



**Derek Lundberg**  
**DIRECTOR**

*DBA, MBA, MGMT, PGDIP (Mktg), MAICD, AFAIM*

Managing Director of Executive Mind & Co.

Derek's extensive executive career includes leading complex organisations across a diverse range of industries from engineering to FMCG.

Derek has held executive positions in large ASX and NYSE companies and played a key role on numerous boards in the not-for-profit and commercial sectors.

*Joined the Sundale Ltd Board in January 2021.*



**Christine Perren**  
**TREASURER**

*BBus, AIMM, CPA*

Partner with SDE Accountants since 2013 and involved in a number of local community-based organisations on the Sunshine Coast, holding a number of Board positions within those organisations.

*Joined the Sundale Ltd Board in 2015.*



**Sonja Walters**  
**DIRECTOR**

*MBA, BSW*

Social Worker and training consultant with over 20 years' experience in Executive roles and Boards across public, private and not for profit sectors. Particular experience in the property, education, insurance, occupational rehabilitation, and community services industries.

*Joined the Sundale Ltd Board in 2019.*

## Board and AGM attendance

Name	Held	Attended
Troy Wainwright	12	11
Steve Telburn	12	12
John Woodward	12	12
Christine Perren	12	11
Anita Phillips	12	11
Ian Hall	12	11
Sonja Walters	12	12
Derek Lundberg <i>(Joined January 2021)</i>	5	5

# Finance



The Executive Leadership Team and Board have worked tirelessly on developing a strategy that will complement Sundale's vision and purpose and deliver financial sustainability.

Financially, the sector remains under enormous pressure. According to the Aged Care Financing Authority, in 2018/19, 42 per cent of residential aged care providers reported an operating loss. The Government's response to the recommendations of the Royal Commission support the need for reform in this sector.

Strategic decisions to divest caravan parks and a change in accounting policy, detailed in the Financials, have assisted Sundale to deliver a total comprehensive income of \$7.73m. These decisions also contributed to the strengthening of Sundale's balance sheet and an increase of cash and term deposits of \$9.88m in the past year.

## Profit & Loss

It's essential older Australians can access exceptional services, not just today, but into the future. To make this vision a reality, Sundale invested considerable time and resources in the past year to ensure it will remain a provider of choice and continue to support its care recipients, residents and clients, irrespective of their needs or circumstance.

Sundale recorded an operating loss of \$17.83m for the year, of which \$13.43m directly relates to its Care Centres. Key factors behind the loss include industry wide revenue/cost pressures.

An increase in accommodation payable revenues due to the development of 23 new units at Coolum Waters and a jump in occupancy across all sites allowed Sundale's Retirement Communities to have a strong operating performance of \$1.61m.

Sundale's investment properties produced a \$500k profit despite an increase in holding costs and reduced income, while the organisation's caravan parks maintained their profit position compared to the previous year, despite an increase in staffing, repairs and IT expenses.

All other activities produced a loss of \$6.63m. Income was impacted by a severe decline in external laundry income throughout the COVID-19 situation. The reduction of interest rates to historically low levels and companies' dividend cuts in response to the potential impact of COVID-19 combined to produce a \$1.35m decline in interest and dividend income, from \$2.51m to \$1.16m.

Sundale's divestment of two of its three caravan parks, Lazy Acres at Torquay and Monte Carlo at Cannon Hill, produced a net gain on disposal of \$200k. Although these operations historically delivered a small profit, their divestment will allow Sundale to focus on its core business, whilst also funding the organisation's future.

In contrast to investment income, performance of the investment portfolio was exceptional in 2020/21 with the value of the managed fund growing by \$6.67m (decline of \$1.28m in 2019/20). Revaluations of investment properties (Retirement Communities, rental properties, caravan parks and vacant land) under the revised accounting policy delivered \$12.52m (\$10.12m prior year). Sundale also received several lines of COVID-19 response funding, providing crucial support to help mitigate the direct and indirect impacts of the pandemic.

## Balance Sheet

The change in accounting policy for investment properties to hold them at value has greatly strengthened Sundale's balance sheet. The increase at the earliest reporting date, 1 July 2019, was \$65.65m, with further revaluation gains of \$10.12m and \$12.52m in the past two years.

The previous policy of holding such assets at depreciated historical cost did not provide users of the accounts with an adequate understanding of the strength of Sundale's financial position. The change was made to enhance the usefulness of these figures and notes.

Other notable changes on the balance sheet saw cash and current financial assets grow by \$9.88m combined, whilst under liabilities, accommodation payables increased by \$12.66m.

## Statement of Cashflows

Although Sundale experienced an operating activities loss, the sale of assets and proceeds from Accommodation Payables led to its cashflow performance seeing a growth in funds of \$0.696m for the year.

Operating activities consumed \$7.87m, a slight improvement on the prior year. Under investing activities, the divestment of the two caravan parks provided \$12.04m net of sale costs. Some \$9.05m of further investment in property, plant and equipment was directed primarily at current developments, including the 23 units constructed at Coolum Waters Retirement Community. \$9.19m of the returns from the caravan parks and retirement unit sales was invested in term deposits.

Within financing activities, the continued strong performance from sales of Independent Living Units was the driving force behind the net contribution of \$14.71m. At the point of reporting sales, a number of the new units had yet to be completed, as such, the returns from investing activities were to some extent yet to be realised.



# Financials

2021

## Kristen Sanders

### Volunteer

When Kristen Sanders and her Cocker Spaniel, Eddie walk into Coolum Waters Care Centre, they light up the room.

"The residents love him," Kristen said.

The pair have been volunteering at Sundale for more than two years, providing care recipients with some very well received animal therapy.

Having loved ones in aged care prompted Kristen to consider volunteering.

"My grandmother was at Coolum Waters years ago. My best friend's mother is also in an aged care facility with early onset dementia.

"My best friend mentioned how wonderful and special it would be if dogs could regularly visit the residents."

Prior to COVID-19, Kristen, Eddie and Lulu (who sadly passed away recently) would visit Coolum Waters Care Centre every fortnight, but restrictions have hampered some of their planned visits.

"I started not knowing anyone, but I'd walk around and the residents would pat the dogs," Kristen said.

Eddie and Lulu proved to be great icebreakers as they lapped up the attention.

"Over time I've built some lovely relationships.

"I know I make their day - their week even."

Kristen also wants others to consider volunteering and insists it doesn't need to be an all or nothing commitment.

"You're more likely to sustain it if it works with your schedule," Kristen said.

"It's nice to have flexibility."

Sundale's care recipients adore their pats and cuddles with Eddie, but Kristen said it's a beautiful experience for her as well.

"It's really rewarding. You get more than you give."



SUNDALE

Because we care

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	NOTE	2021 \$'000	2020 \$'000
<b>CONTINUING OPERATIONS</b>			
Operational revenues	7	38,278	39,762
Accommodation bond/Licence contribution		2,457	1,998
Finance income	8	1,164	2,512
Other revenue		1,724	1,070
<b>TOTAL REVENUE</b>		<b>43,623</b>	<b>45,342</b>
Depreciation, amortisation and impairment	8	(3,123)	(3,006)
Employee costs		(40,742)	(40,200)
Finance costs	8	(142)	(145)
Minor project costs		(4,238)	(2,166)
Other expenses	8	(13,205)	(11,604)
<b>TOTAL EXPENSES</b>		<b>(61,450)</b>	<b>(57,121)</b>
<b>Results from operating activities</b>		<b>(17,827)</b>	<b>(11,779)</b>
<b>SIGNIFICANT ITEMS</b>			
Coronavirus pandemic: Government assistance	22	7,771	6,009
Coronavirus pandemic: additional costs	22	(2,182)	(1,005)
Gain/(loss) on revaluation of investments		6,671	(1,282)
Gain on revaluation investment property		12,523	10,121
Profit on disposal of discontinued operations		204	-
<b>Net surplus for the year from continuing operations</b>		<b>7,160</b>	<b>2,064</b>
Gain from discontinued operations	23	573	439
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>7,733</b>	<b>2,503</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	NOTE	2021 \$'000	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	10	8,324	7,629	6,059
Trade and other receivables	11	1,748	3,759	1,684
Inventories		229	206	88
Financial assets	12	58,389	49,202	48,873
Non-current assets classified as held for sale	13	4,402	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>73,092</b>	<b>60,796</b>	<b>56,704</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	11	580	1,023	261
Financial assets	12	48,095	41,154	41,738
Investment properties	14	179,257	174,525	159,817
Intangibles	15	1,640	2,459	3,172
Property, plant and equipment	16	16,455	16,972	17,707
Right-of-use assets	17	1,653	2,196	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>247,680</b>	<b>238,329</b>	<b>222,695</b>
<b>TOTAL ASSETS</b>		<b>320,772</b>	<b>299,125</b>	<b>279,399</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18	4,714	5,159	4,726
Accommodation payables expected to be paid within 12 months	18	9,169	8,846	9,197
Accommodation payables not expected to be paid within 12 months	18	115,269	102,929	88,101
Provisions	19	5,239	4,984	5,122
Interest bearing loans and borrowings	20	474	506	25
Accrued expenses		2,388	547	677
<b>TOTAL CURRENT LIABILITIES</b>		<b>137,253</b>	<b>122,971</b>	<b>107,848</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	19	1,784	1,703	1,134
Interest bearing loans and borrowings	20	1,082	1,531	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,866</b>	<b>3,234</b>	<b>1,134</b>
<b>TOTAL LIABILITIES</b>		<b>140,119</b>	<b>126,205</b>	<b>108,982</b>
<b>NET ASSETS</b>		<b>180,653</b>	<b>172,920</b>	<b>170,417</b>
<b>EQUITY</b>				
Accumulated Funds		180,653	172,920	170,417
<b>TOTAL EQUITY</b>		<b>180,653</b>	<b>172,920</b>	<b>170,417</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

or the year ended 30 June 2021

	NOTE	Accumulated Funds \$'000
<b>Balance at 1 July 2020</b>		<b>172,920</b>
Surplus for the year		7,733
Other Comprehensive Income for the year		-
<b>Total comprehensive income</b>		<b>7,733</b>
<b>Balance at 30 June 2021</b>		<b>180,653</b>
<hr/>		
<b>Balance at 1 July 2019 - as previously reported</b>		<b>104,766</b>
Change in accounting policy (note 5)		65,651
<b>Balance at 1 July 2019 - Restated</b>		<b>170,417</b>
Surplus for the year		2,503
<b>Total comprehensive income</b>		<b>2,503</b>
<b>Balance at 30 June 2020</b>		<b>172,920</b>

The accompanying notes form part of these financial statements..

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	NOTE	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts of subsidies and revenue from clients		50,752	46,179
Receipt of grants and one-off funding		1,161	394
Sundry income		93	162
Payments to suppliers and employees		(60,732)	(56,836)
Donations		80	40
Interest paid		(142)	(145)
Interest received		919	2,005
<b>Net cash used in operating activities</b>		<b>(7,869)</b>	<b>(8,201)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant & equipment		(9,050)	(14,202)
Acquisition of financial assets		(9,187)	5,061
Proceeds from sale of property, plant & equipment		52	
Proceeds from sale of business segment		12,039	588
<b>Net cash used in investing activities</b>		<b>(6,146)</b>	<b>(8,553)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(482)	(419)
Repayment of unsecured interest free loans		(84)	(65)
Proceeds from accommodation payables		27,665	27,871
Repayment of accommodation payables		(12,388)	(11,336)
<b>Net cash provided by financing activities</b>		<b>14,771</b>	<b>16,051</b>
<b>Net increase in cash and cash equivalents</b>		<b>696</b>	<b>1,570</b>
Cash and cash equivalents at beginning of year		7,629	6,059
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>10</b>	<b>8,325</b>	<b>7,629</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

The financial report of Sundale Ltd (the "Entity") for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Board on 12 October 2021.

The Entity is a public company limited by guarantee and is registered as Sundale Ltd [A.C.N. 164 270 946] under the Corporations Act 2001. The registered office is located at 144 Currie St, Nambour 4560.

Sundale Ltd provides a range of services including supporting and caring for residential aged care clients (National Approved Provider System ID 461), retirement living communities, in-home care, housing and long- and short-term caravan park accommodation.

The entity is a not-for-profit entity for the purposes of Australian Accounting Standards and is incorporated and domiciled in Australia.

The functional and presentation currency of Sundale Ltd is Australian dollars.

### 1 Basis of Preparation

The Entity has opted to adopt AASB 1060 General Purpose Financial Statements - Simplified Disclosures for Not-for-Profit Tier 2 Entities ahead of its mandatory effective date of 1 July 2021. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Entity's previous financial statements compiled with Australian Accounting Standards - Reduced Disclosure Requirements.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Aged Care Act 1997 relating to approved providers of residential and in-home care, as well as relevant requirements under the Australian Charities and Not-for-profit Commission Act 2012 and as appropriate for not-for-profit orientated entities. The financial report has been prepared on an accrual basis of accounting including the historical cost convention, except for intangible assets, investment properties and non-current investments.

The Entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'.

Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period reviewed.

Comparative information is reclassified where appropriate to enhance comparability.

### 2 Summary of Significant Accounting Policies

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

#### (a) Capital Replacement, Maintenance Reserves and General Services Trust Funds

Sundale Ltd have established Capital Replacement Fund (CRF) and Maintenance Reserve Fund (MRF) Trust Account bank accounts in accordance with Section 97 of the Retirement Villages Act 1999. While the transactions of the MRF trusts are excluded from this financial report, the bank account balances relating to the CRF's are included in the report under cash and cash equivalent balance as secured or restricted cash (Note 10).

#### (b) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with a maturity date of three months or less from balance date.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above and investments at call, net of outstanding bank overdrafts.

#### (c) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### (d) Property, plant and equipment

Property, plant and equipment is stated at cost, or deemed cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

#### Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment less than \$500 1 Year  
Plant and equipment greater than \$500 2 - 10 years  
Motor vehicles 3 - 5 years

Furniture and fittings 3 - 10 years

Buildings 10 - 40 years

Freehold land is held at cost less accumulated impairment losses.

The assets' residual values, useful lives, depreciation, and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Capital works in progress represents (i) the accumulation of construction costs on facilities currently under construction; (ii) accumulated costs of major information systems infrastructure and (iii) other similar type projects. Upon completion, the assets are transferred into the asset category and depreciation commences at that time.

#### Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the depreciated replacement cost of the asset when the asset's future economic benefit does not depend primarily on its ability to generate cash inflows, and if deprived of the asset the Entity would replace it. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

## 2 Summary of Significant Accounting Policies (continued)

### (e) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and for restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### (f) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Entity prior to the end of the financial year that are unpaid and arise when the Entity becomes obliged to make future payments in respect of the purchase of those goods and services.

### (g) Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented

in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (h) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### (i) Employee leave benefits

#### Annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave, are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled.

### Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality (AAA- and AA-rated) Australian corporate bonds with terms of maturity that match, as closely as possible, the estimated future cash outflows.

### (j) Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The following specific recognition criteria are applied before revenue is recognised:

- a) Government subsidies – recognised as an accrual based on actual resident/client classifications, with any adjustments required being made upon receipt of funds from the Government.
- b) Client contributions – fees are payable by residents and recognised when due.
- c) Dividend income – recognised when the Entity's right to receive payment is established.
- d) Accommodation bond retentions – recognised when due.
- e) Licence contributions – recognised on a contractual basis.

- f) Government grants – recognised as income at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- g) Interest – recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.
- h) Investment property rental revenue – recognised on a straight line basis over the lease term.

### (k) Goods & Services Tax

The Entity is registered for Goods & Services Tax (GST) on an accruals basis.

- Services relating to Residential Aged Care, In-Home Care, Child Care, Rehabilitation Services and Retirement Living are primarily classified as GST free.
- The Rental segment comprises residential rents and treated accordingly for GST. A proportion of income from low-cost accommodation qualifies for treatment as GST free rather than Input-taxed income as a result of "nominal consideration" concessions for endorsed charities.
- The Caravan Parks segment includes long term and short term stays; the former attract a concessional rate of GST, the latter the standard rate.
- Goods and services such as externally contracted laundry and other similar services are subject to GST and levied accordingly.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows is classified as operating cash flows. Commitments and contingencies are disclosed net of GST. For the purpose of cash flow statement preparation, cash and cash equivalents comprises the above.

## 2 Summary of Significant Accounting Policies (continued)

### (l) Income tax

As the Entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997 as amended, it is exempt from paying income tax.

### (m) Intangible Assets

The Entity holds Residential Care Government funded bed licences that meet the definition of an intangible asset under AASB 138 Intangible Assets.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets currently held by the Entity have been assessed as being finite.

The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis. Intangible assets with indefinite useful lives are tested for impairment annually. Such intangibles are not amortised.

The bed licences are granted to the Entity on acquisition for no or nominal consideration by government agencies or authorities. The licences represent assets acquired at significantly less than fair value under AASB 1058 Income of Not-for-Profit Entities so that the Entity must recognise both the licence and the corresponding grant income amount initially at the fair value of the licence as at the date the licence was granted. The fair value is treated as the licence's deemed cost at the acquisition date.

The valuations were reassessed in 2017 and it was determined that the assets had become finite in the light of the "Aged Care Roadmap" issued by the Department of Health, which outlines a timetable for the transfer of the licences, and the freedom to choose a provider, to the consumer. The assets are being amortised on a straight-line basis over seven years from 2017, covering the period until the Roadmap indicates that this reform will occur.

Any gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income when the asset is de-recognised.

### (n) Financial Instruments

Financial assets in the scope of AASB 9 Financial Instruments are classified as financial assets subsequently measured either at amortised cost, at fair value through Profit or Loss or at fair value through Other Comprehensive Income, as appropriate. Financial liabilities in the scope of AASB 9 are classified as financial liabilities subsequently measured at amortised cost.

Financial assets comprise investments in managed funds, term deposits, trade and other receivables and cash and cash equivalents. Financial liabilities comprise trade and other payables, accrued expenses, accommodation payables and loans.

Financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

A financial instrument is recognised if the Entity becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the Entity's contractual rights to the cash flows from the financial asset expire, the Entity has transferred substantially all risks and rewards related to the asset or the entity no longer has control of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date the Entity commits itself to purchase or sell the asset. A financial liability is de-recognised if the Entity's obligations specified in the contract expire or are discharged or cancelled.

Accounting for finance income and expenses is described in Note 2 (q). Instruments measured at amortised cost

Except for the Entity's investments in equity instruments, the financial assets listed above are held within a business model whose objective is to hold them in order to collect contractual cash flows. In addition the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on principal amounts outstanding. As such, they are measured at amortised cost. Financial liabilities are also measured at amortised cost.

Instruments measured at fair value through profit or loss

The Entity's investments in equity instruments are not held for trading. They are measured at fair value through profit or loss. The fair value of investments is determined by reference to market bid prices at the close of business on the Statement of Financial Position date as provided by the respective investment managers.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

### (o) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

### (p) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified.

Non-current assets classified as held for sale are presented on the face of the statement of financial position, in current assets.

### (q) Finance income and expenses

Finance income comprises interest and dividend income on funds invested and is recognised as it accrues in profit or loss, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings including finance leases. All borrowing costs are recognised in profit or loss using the effective interest rate method.

### (r) Capital management

Management considers the Entity's accumulated funds as capital. Management controls the capital of the Entity in order to ensure that the Entity can fund its operations and continue as a going concern. The Entity is not subject to any external capital restrictions.

### (s) Investment property

Investment properties principally comprise of buildings held for long-term rental and capital appreciation that are not occupied by the entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Reclassifications between investment properties and property, plant and equipment are determined by a change in use to or from owner-occupation. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at cost.

## 2 Summary of Significant Accounting Policies (continued)

### (t) Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### (u) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests.

For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### (v) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

### (w) Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

### (x) New, revised or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted unless otherwise stated.

## 3 Critical Accounting Estimates and Judgements

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

### Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

### Investment property valuation

The company measures investment property at revalued amounts, with changes in fair value being recognised in the statement of profit or loss. The properties were valued by reference to market conditions for properties of a similar nature, location and condition.

#### 4 Prior Year Restatement

On reviewing the Entity's accounting policies for land and buildings, especially in relation to the Retirement Living business segment, it was concluded that whilst the legal form of the Entity's income from this segment is Discounted Management Fees for a licence to occupy Independent Living Units (ILU's), the commercial substance of the operation is that the income is akin to accommodation rentals and furthermore the appreciation of the Units' value is an important facet of the segment's contribution to the Entity's financial performance. This review also confirmed that much of the Entity's vacant land has at this point an

undetermined future use. As such the Entity's ILUs, the land they occupy and the Entity's vacant land should be classified as Investment Properties rather than under Property, Plant and Equipment.

The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following table summarises the impacts on the statement of financial position at the beginning of the earliest comparative period:

	Previously reported at 1 July 2019 \$'000	Adjustments \$'000	Restated \$'000
<b>STATEMENT OF FINANCIAL POSITION (EXTRACT)</b>			
Property Plant and Equipment	82,762	(65,055)	17,707
Investment property	29,114	65,055	94,169

The following table summarises the impacts on the financial statements at the end of the earliest comparative period:

	Previously reported at 30 June 2020 \$'000	Adjustments \$'000	Restated \$'000
<b>STATEMENT OF FINANCIAL POSITION (EXTRACT)</b>			
Property Plant and Equipment	86,654	(69,834)	16,820
Investment property	29,136	69,834	98,970

#### 5 Change in Accounting Policy

During the year the management decided to make a voluntary change in accounting policy to hold investment properties at fair value rather than cost as this will give a more reliable and move relevant presentation in the financial statements. This change has been applied retrospectively.

The aggregate effect of the voluntary change in accounting policy on the statement of financial position at the beginning of the earliest comparative period is as follows:

	Previously reported at 1 July 2019 \$'000	Adjustments \$'000	Restated \$'000
<b>STATEMENT OF FINANCIAL POSITION (EXTRACT)</b>			
Investment property (i)	94,169	65,651	159,820
<b>EQUITY</b>			
Accumulated funds	104,766	65,651	170,417

	Previously reported at 30 June 2020 \$'000	Adjustments \$'000	Restated \$'000
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (EXTRACT)</b>			
Depreciation amortisation and impairment	(5,161)	2,129	(3,032)
Revaluation of investment property	-	10,123	10,123
Total comprehensive (loss)/income for the year	(9,749)	12,252	2,503

	Previously reported at 30 June 2020 \$'000	Adjustments \$'000	Restated \$'000
<b>STATEMENT OF FINANCIAL POSITION (EXTRACT)</b>			
Investment property (i)	98,970	75,555	174,525
<b>EQUITY</b>			
Accumulated funds	95,017	77,903	172,920

(i) This previously reported balance is stated after the prior period error reclassification described in Note 4.

## 6 Working Capital Deficiency

As at 30 June 2021, the financial statements disclose prima facie a deficiency in working capital, being excess of current liabilities over current assets of \$64,161,000 (2020: deficiency \$62,175,000). This may indicate to the users that the Entity may have difficulty in paying its debts as and when they become payable. The Directors do not believe that the Entity will have difficulty in paying its debts as and when they become payable based on the following reasoning.

The probable timing for the payment of current liabilities will allow the Entity to trade normally, particularly given that Accommodation Payables of \$115,269,000, although classed as current in accordance with accounting standards, is not practically payable to the residents within 12 months. The resident Licence Contributions

are not required to be paid out to the outgoing resident until the incoming residents have paid their Licence Contribution to the Entity (except in the rare event of the accommodation having been vacant for 18 months). The Refundable Accommodation Deposits/Bonds become payable upon the departure of aged care residents. It is unlikely that all residents would depart in the next 12 months thereby requiring a pay-out of the full amount of the Accommodation Deposits/Bonds. Historically, the average turnover of the residents (Aged Care and Independent Living Units) has been around 20%. Vacant aged care beds are generally refilled within a short time. Therefore management's worst case estimate, supported by historical cash flows over the last five years, of the amount likely to be payable within the next 12 months is \$9,169,000.

## 7 Operational Revenues

	2021	2020
	\$'000	\$'000
Government subsidies	24,765	25,502
Client contributions	11,703	12,463
Rental revenues	1,662	1,603
Sundry operating revenue	148	194
<b>Total revenue</b>	<b>38,278</b>	<b>39,762</b>

## 8 Expenses and Finance Income

	2021	2020
	\$'000	\$'000
<b>Finance costs</b>		
Interest expense on lease liabilities	66	73
Interest expense on resident accommodation payables	76	72
	<b>142</b>	<b>145</b>
<b>Finance income</b>		
Interest income on financial assets measured at amortised cost	449	840
Interest and dividend income on financial assets measured at fair value	677	1,622
Interest income on outstanding accommodation receivables	34	17
Interest income on bank accounts	4	33
	<b>1,164</b>	<b>2,512</b>
<b>Other expenses</b>		
Impairment of trade receivables	62	37
Meal costs	1,717	1,801
Repairs and maintenance costs	1,200	900
Office equipment - minimum operating lease payments	7	120
Medical costs	2,458	1,848
Energy costs	786	833
Housekeeping costs	626	569
Vehicle fleet costs	164	238
Vehicle fleet - minimum operating lease payments	92	104
Clothing costs	58	153
Investment management fees	425	288
Other sundry expenses	853	270
Less hospitality and maintenance costs internally oncharged to discontinued operations	-	(57)
Administrative costs (i)	4,757	4,500
	<b>13,205</b>	<b>11,604</b>

## 8 Expenses and Finance Income (continued)

	2021	2020
	\$'000	\$'000
<b>Included within administrative costs (i)</b>		
Rates and charges	1,290	1,329
Insurances	389	310
Recruitment costs	293	180
Software and licences	1,189	1,139
Management fees	279	399
Telephone	758	748
Security	227	469
Legal fees	144	146
Other	188	(150)
Less: expenses internally on-charged to discontinued operations	-	(70)
	<b>4,757</b>	<b>4,500</b>
<b>Depreciation, amortisation and impairment</b>		
Depreciation of property, plant and equipment	1,752	1,717
Depreciation of right-of-use assets	552	534
Amortisation of intangible assets	819	753
	<b>3,123</b>	<b>3,004</b>
<b>Superannuation expense included within employee costs</b>		
Defined contribution superannuation expense	3,419	3,264

## 9 Operating Segments

The composition of operating segments is based on the internal reporting and assessment of various components of the Entity that are regularly reviewed by key management personnel (who are identified as the Chief Operating Decision-makers), evaluating the results of these business segments for comparison to other entities, for strategic planning and for the allocation of resources.

The Entity operates in one geographical segment, being the Queensland area, and has six reportable segments, as described below, which are the Entity's strategic business units. Each segment provides a service to a different consumer demographic and is managed separately as they require different marketing and operational strategies:

- Residential Aged Care provides services and care to the elderly within a residential based environment providing accommodation and a range of care from modest to substantial assistance for multiple morbidities.
- Retirement Living provides an environment for independent living in a communal setting with care and support services readily available if required.
- In-Home Care provides in-home services and care to the community across a broad spectrum of care levels.
- Investment Properties provides a range of residential rental properties and units, of which 29 are currently available under the National Rental Affordability Scheme (NRAS), as well as a small number of commercial tenancies.
- Caravan Parks provides a combination of long-term low-cost and short-term tourist accommodation.
- Child Care, covering long day care in addition to outside school hours and vacation care. The operation of this business was divested in February 2020 (see Note 19) since when the Entity merely acts as landlord of the premises.

Other segments relate to rehabilitation services (ceased in March 2020), corporate administrative and information services and support services of catering, laundering and maintenance. These segments operate as full cost recovery passed to the operating segments.

Transfer prices between business segments are set at an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation. The following tables present revenue and surplus information and certain asset and liability information regarding business segments for the years ended 30 June 2021 and 30 June 2020.

9. Operating segments (continued)	Residential Aged Care		Retirement Living		In-Home Care	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

2021 Reportable segment result						
Segment revenues (i)	39,232	38,217	13,776	10,705	2,982	3,220
Segment Expenses (ii)	(49,028)	(44,876)	(2,091)	(1,998)	(2,967)	(3,185)
Segment surplus/(deficit)	(9,796)	<b>(6,659)</b>	11,685	<b>8,707</b>	15	<b>35</b>

(i) Segment Revenues						
Government subsidy and payments	24,163	24,588	-	-	267	302
Client contributions	8,226	8,687	1,309	1,237	2,168	2,539
Other income	1,273	<b>543</b>	24	<b>26</b>	37	-
<b>External revenues</b>	<b>33,662</b>	33,818	<b>1,333</b>	1,263	<b>2,472</b>	2,841
Accommodation payables revenues	89	75	2,368	1,923	-	-
Interest and dividend income	-	-	-	-	-	-
<b>Total operating revenue per Statement of Profit or Loss</b>	<b>33,751</b>	33,893	<b>3,701</b>	3,186	<b>2,472</b>	2,841
Coronavirus pandemic: Government assistance	5,481	-	-	-	510	-
Gain/(loss) on investments	-	<b>4,324</b>	-	-	-	<b>379</b>
Gain on business disposal	-	-	-	-	-	-
Investment property revaluation	-	-	10,075	<b>7,519</b>	-	-
<b>Total segment external revenue</b>	<b>39,232</b>	<b>38,217</b>	<b>13,776</b>	<b>10,705</b>	<b>2,982</b>	<b>3,220</b>
Inter-segment revenue	-	-	-	-	-	-
<b>Total segment revenues</b>	<b>39,232</b>	<b>38,217</b>	<b>13,776</b>	<b>10,705</b>	<b>2,982</b>	<b>3,220</b>

Investment Properties	2021	2020	Caravan Parks	2021	2020	Child Care (divested February 2020)		All Others		Total	
						2021	2020	2021	2020	2021	2020
						\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

2,925	2,130	2,462	3,134	-	344	21,989	15,766	83,366	73,516
(735)	(711)	(1,859)	(1,817)	-	(897)	(18,953)	(17,529)	(75,633)	(71,013)
2,190	<b>1,419</b>	603	<b>1,317</b>	-	<b>(553)</b>	3,036	<b>(1,763)</b>	7,733	<b>2,503</b>

328	327	-	-	-	243	7	285	24,765	25,745
-	-	-	-	-	125	-	-	11,703	12,588
903	<b>854</b>	2,517	<b>2,633</b>	-	<b>(24)</b>	482	<b>659</b>	5,236	<b>4,691</b>
<b>1,231</b>	1,181	<b>2,517</b>	2,633	-	344	<b>489</b>	944	<b>41,704</b>	43,024
-	-	-	-	-	-	-	-	2,457	1,998
-	-	-	-	-	-	1,164	<b>2,512</b>	1,164	<b>2,512</b>
<b>1,231</b>	1,181	<b>2,517</b>	2,633	-	344	<b>1,653</b>	3,456	<b>45,325</b>	47,534
9	-	36	-	-	-	1,770	-	7,806	-
-	<b>10</b>	-	<b>51</b>	-	-	6,671	<b>1,296</b>	6,671	<b>6,060</b>
-	-	204	-	-	-	-	(1,041)	204	(1,041)
1,685	<b>939</b>	(295)	<b>450</b>	-	-	1,058	<b>1,214</b>	12,523	<b>10,122</b>
<b>2,925</b>	<b>2,130</b>	<b>2,462</b>	<b>3,134</b>	-	<b>344</b>	<b>11,152</b>	<b>4,925</b>	<b>72,529</b>	<b>62,675</b>
-	-	-	-	-	-	10,837	<b>10,841</b>	10,837	<b>10,841</b>
<b>2,925</b>	<b>2,130</b>	<b>2,462</b>	<b>3,134</b>	-	<b>344</b>	<b>21,989</b>	<b>15,766</b>	<b>83,366</b>	<b>73,516</b>

9. Operating segments (continued)	Residential Aged Care		Retirement Living		In-Home Care	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(ii) Expenses</b>						
Staffing costs	(28,479)	(27,384)	(401)	(332)	(1,860)	(2,027)
Depreciation and impairment costs	(1,906)	(1,778)	(15)	(15)	(113)	(141)
Administration costs	(8,139)	(7,379)	(826)	(785)	(742)	(708)
Hospitality costs	(2,456)	(2,587)	-	-	-	(3)
Housekeeping costs	(1,028)	(810)	(41)	(21)	-	(1)
Repairs and maintenance costs	(1,156)	(749)	(460)	(331)	(11)	(9)
Medical costs	(2,438)	(2,546)	-	-	(14)	(20)
Energy costs	(513)	(550)	(69)	(72)	(11)	(5)
Vehicle fleet cost	(45)	(38)	-	-	(78)	(152)
Other sundry expenses	(47)	(102)	(54)	(105)	(1)	(11)
<b>Operations expense total</b>	<b>(46,207)</b>	<b>(43,923)</b>	<b>(1,866)</b>	<b>(1,661)</b>	<b>(2,830)</b>	<b>(3,077)</b>
Non-operational & development expenditure	(893)	(160)	(225)	(336)	(41)	2
Interest paid	(77)	(73)	-	-	(4)	(8)
Exceptional item: Coronavirus pandemic costs	(1,851)	(720)	-	(1)	(92)	(102)
<b>Total segment expense</b>	<b>(49,028)</b>	<b>(44,876)</b>	<b>(2,091)</b>	<b>(1,998)</b>	<b>(2,967)</b>	<b>(3,185)</b>
Add back internal charges	8,961	8,967	641	533	622	620
Add back exceptional item	1,851	720	-	1	92	102
<b>Total expense from operating activities per statement of profit or loss</b>	<b>(38,216)</b>	<b>(35,189)</b>	<b>(1,450)</b>	<b>(1,464)</b>	<b>(2,253)</b>	<b>(2,463)</b>

Investment Properties	2021	2020	Caravan Parks	2021	2020	Child Care (divested February 2020)		All Others		Total	
						2021	2020	2021	2020	2021	2020
						\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(65)	(61)	(282)	(176)	-	(675)	(9,938)	(10,402)	<b>(41,025)</b>	<b>(41,057)</b>	
	(56)	(48)	(27)	(37)	-	(40)	(1,006)	(1,012)	<b>(3,123)</b>	<b>(3,071)</b>	
	(427)	(403)	(1,010)	(1,023)	-	(94)	(2,488)	(2,340)	<b>(13,632)</b>	<b>(12,732)</b>	
	-	-	-	-	-	(50)	(557)	(812)	<b>(3,013)</b>	<b>(3,452)</b>	
	(12)	(5)	(107)	(104)	-	(3)	(139)	(231)	<b>(1,327)</b>	<b>(1,175)</b>	
	(122)	(135)	(263)	(246)	-	(17)	(4)	(37)	<b>(2,016)</b>	<b>(1,524)</b>	
	-	-	-	-	-	(1)	(5)	(67)	<b>(2,457)</b>	<b>(2,634)</b>	
	9	3	(125)	(145)	-	(2)	(171)	(172)	<b>(880)</b>	<b>(943)</b>	
	(3)	-	(8)	(10)	-	(3)	(129)	(149)	<b>(263)</b>	<b>(352)</b>	
	-	-	(1)	(22)	-	-	(18)	(53)	<b>(121)</b>	<b>(293)</b>	
	<b>(676)</b>	<b>(649)</b>	<b>(1,823)</b>	<b>(1,763)</b>	<b>-</b>	<b>(885)</b>	<b>(14,455)</b>	<b>(15,275)</b>	<b>(67,857)</b>	<b>(67,233)</b>	
	(59)	(61)	(34)	(48)	-	(12)	(4,201)	(2,015)	<b>(5,453)</b>	<b>(2,630)</b>	
	-	-	(1)	-	-	-	(60)	(64)	<b>(142)</b>	<b>(145)</b>	
	-	(1)	(1)	(6)	-	-	(237)	(175)	<b>(2,181)</b>	<b>(1,005)</b>	
	<b>(735)</b>	<b>(711)</b>	<b>(1,859)</b>	<b>(1,817)</b>	<b>-</b>	<b>(897)</b>	<b>(18,953)</b>	<b>(17,529)</b>	<b>(75,633)</b>	<b>(71,013)</b>	
	170	189	443	370	-	127	-	35	<b>10,837</b>	<b>10,841</b>	
	-	1	1	6	-	-	237	175	<b>2,181</b>	<b>1,005</b>	
	<b>(565)</b>	<b>(521)</b>	<b>(1,415)</b>	<b>(1,441)</b>	<b>-</b>	<b>(770)</b>	<b>(18,716)</b>	<b>(17,319)</b>	<b>(62,615)</b>	<b>(59,167)</b>	

9. Operating segments (continued)	Residential Aged Care		Retirement Living		In-Home Care	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administration costs</b>						
Management fee	(3,164)	(2,605)	(269)	(260)	(353)	(233)
Rates and charges	(305)	(296)	(356)	(320)	(2)	(1)
Insurances	(133)	(106)	(114)	(87)	(20)	(21)
Information technology	(2,601)	(1,982)	-	-	(266)	(251)
Accreditation costs	(1,031)	(1,328)	-	-	-	(161)
Telephone	(259)	(189)	(2)	(2)	(42)	(25)
Training and recruitment	(131)	(45)	-	-	(4)	(3)
Other	(515)	(828)	(85)	(116)	(55)	(13)
	(8,139)	(7,379)	(826)	(785)	(742)	(708)
<b>Reportable segment assets</b>						
Property, plant and equipment and right-of- use assets	13,959	14,155	119	57	-	252
Investment properties and assets held for sale	-	-	125,560	105,043	-	-
Intangibles	1,640	2,459	-	-	-	-
<b>Reportable segment liabilities</b>						
Accommodation payables	37,576	34,788	86,862	76,987	-	-
					-	-
<b>Segment acquisitions</b>	<b>886</b>	<b>1,524</b>	<b>7,469</b>	<b>2,069</b>	<b>4</b>	<b>174</b>

Investment Properties	2021	2020	Caravan Parks		Child Care (divested February 2020)		All Others		Total	
			2021	2020	2021	2020	2021	2020	2021	2020
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(192)	(197)	(559)	(627)	-	(59)	-	-	(4,537)	(3,981)
	(186)	(184)	(229)	(270)	-	-	(213)	(258)	(1,291)	(1,329)
	(19)	(14)	(22)	(19)	-	(6)	(80)	(63)	(388)	(316)
	-	(2)	(109)	(85)	-	(12)	(1,177)	(1,112)	(4,153)	(3,444)
	-	-	-	-	-	-	-	2	(1,031)	(1,487)
	-	(2)	(21)	(22)	-	(2)	(434)	(508)	(758)	(750)
	-	-	-	(1)	-	(3)	(190)	(169)	(325)	(221)
	(30)	(4)	(70)	1	-	(12)	(377)	(232)	(1,132)	(1,204)
	(427)	(403)	(1,010)	(1,023)	-	(94)	(2,471)	(2,340)	(13,615)	(12,732)
	113	92	67	137	-	-	3,850	4,479	18,108	19,172
	21,946	23,302	4,335	16,469	-	-	31,751	29,710	183,592	174,524
	-	-	-	-	-	-	-	-	1,640	2,459
	-	-	-	-	-	-	-	-	124,438	111,775
	-	-	-	-	-	-	-	-	-	-
	37	20	37	42	-	-	1,446	4,318	9,879	8,147

**10 Cash and cash equivalents**

	NOTE	2021 \$'000	2020 \$'000
Operating/Trading bank accounts		6,608	5,915
Secured Capital Replacement Fund	7.2	514	515
Petty Cash & Cash on Hand		11	12
Restricted cash		1,191	1,187
		<b>8,324</b>	<b>7,629</b>

**Reconciliation of Cash**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents		8,324	7,629
		<b>8,324</b>	<b>7,629</b>

**a. Non-cash financing and investing activities**

Bank guarantees			
- amount used		600	600
- amount unused		250	250
		<b>850</b>	<b>850</b>

**b. Trust account balances**

The following amounts held in Trust Accounts and equal to the amounts held on behalf of trust creditors are not included in the assets or liabilities of Sundale Ltd as set out in the Statement of Financial Position:

	2021 \$'000	2020 \$'000
Resident Trust Bank Account and Cash Float	43	43
Funds held in Trust ex Eden Healthcare Centre Inc.	150	150
Palmwoods Retirement Community Maintenance Reserve Fund Trust Account	214	207
Rotary Retirement Community Maintenance Reserve Fund Trust Account	168	220
Nambour Retirement Community Maintenance Reserve Fund Trust Account	4	4
Coolum Beach Retirement Community Maintenance Reserve Fund Trust Account	152	144
	<b>731</b>	<b>768</b>

**c. Trust account balances**

The Secured Capital Replacement Fund bank accounts are secured by way of a statutory charge created pursuant to Section 91(6) of the Retirement Villages Act 1999.

	2021 \$'000	2020 \$'000
<b>Account Balances at 30 June</b>		
- Fund for Palmwoods Retirement Community	97	60
- Fund for Rotary Retirement Community	141	29
- Fund for Nambour Retirement Community	102	109
- Fund for Coolum Beach Retirement Community	174	317
	<b>514</b>	<b>515</b>

The Retirement Villages Act 1999 prescribes the uses of the Capital Replacement Funds.

**11 Trade and other receivables**

	NOTE	2021 \$'000	2020 \$'000
<b>Current</b>			
Trade and Other Debtors		360	321
Resident Debtors		434	70
Less Provision for Doubtful Debts / Expected Credit Losses		(171)	(142)
		<b>623</b>	<b>249</b>
Accrued Income		504	3,098
BAS Tax Refundable		243	219
Other Prepayments		260	193
Other current assets		118	
		<b>1,748</b>	<b>3,759</b>
<b>Non-current</b>			
Resident Debtors Account		580	1,023
		<b>580</b>	<b>1,023</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

<b>12 Financial assets</b>	NOTE	2021 \$'000	2020 \$'000
<b>Current</b>			
<b>Measured at amortised cost</b>			
- maturity within 90 days		22,093	12,492
- maturity greater than 90 days		36,296	36,710
		<b>58,389</b>	<b>49,202</b>

Current financial assets are on deposit for varying terms of up to one year and terminable on notice (subject to an administration fee and/or interest rate reduction), with an effective interest rate during 2020-21 between 0.25% and 1.85% (2020: 0.80% - 2.60%)

<b>Non-current</b>			
<b>Measured at fair value through profit or loss</b>			
Harper Bernays managed funds		48,095	41,154
		<b>48,095</b>	<b>41,154</b>

Financial assets measured at fair value through profit or loss are not held for trading and have no specified maturity date. Funds are available in accordance with the terms of the respective managed investment service agreements.

<b>13 Non-current Assets Classified as Held For Sale</b>	NOTE	2021 \$'000	2020 \$'000
Caravan Park		4,402	-
		<b>4,402</b>	<b>-</b>

During the 2020-21 financial year the Board resolved to dispose of the Caravan Parks business segment. Two of the three parks were disposed of during the final quarter of the year. As at year-end one park remains for sale and is expected to be sold within six months from reporting date and is therefore classified as assets held for sale.

<b>14 Investment Properties</b>	NOTE	2021 \$'000	2020 \$'000
<b>Investment properties - at fair value</b>			
Land		47,632	53,353
Buildings		104,267	99,212
Under Construction		27,358	21,960
		<b>179,257</b>	<b>174,525</b>

Movement schedule	Land \$'000	Buildings \$'000	Under Construction \$'000	Totals \$'000
<b>Year ended 30 June 2021</b>				
Balance at the beginning of the year - as previously reported	15,591	13,545	-	29,136
Prior year restatement (note 4)	14,326	31,199	21,960	67,485
Change in accounting policy (note 5)	23,436	54,468	-	77,904
Balance at the beginning of the year - restated	53,353	99,212	21,960	174,525
Additions	-	842	7,540	8,382
Revaluations	4,263	8,260	-	12,523
Capitalisation from under construction	-	2,142	(2,142)	-
Disposals	(8,814)	(3,024)	-	(11,838)
Moved to assets held for sale	(1,170)	(3,165)	-	(4,335)
<b>Balance at the end of the year</b>	<b>47,632</b>	<b>104,267</b>	<b>27,358</b>	<b>179,257</b>

<b>a. Lessor commitments</b>	NOTE	2021 \$'000	2020 \$'000
<b>Minimum lease payments receivable but not recognised in the financial statements:</b>			
Not later than 1 year		497	491
Later than 1 year and not later than 5 years		78	131
		<b>575</b>	<b>622</b>

The Entity's main source of rental income is derived from operation of low-cost accommodation in an apartment block and across its three caravan parks. A motel complex is also utilised for low-cost accommodation and the Entity leases a small number of houses on land held for future development. Commercial lease income is derived from Childcare premises and an office building (both from February 2020).

<b>15 Intangible Assets</b>	2021	2020
	\$'000	\$'000
<b>Residential Aged Care Bed Licences</b>		
Cost	11,580	11,580
Accumulated amortisation	(9,940)	(9,121)
<b>Balance at the end of the year</b>	<b>1,640</b>	<b>2,459</b>

#### Residential Aged Care Bed Licences

The Directors have reviewed any necessity for impairment annually having due regard to any sales within the region and foreseeable changes in the regulatory environment. Subsequent to a review conducted in 2017 it was determined that the assets had become finite in the light of the "Aged Care Roadmap" issued by the Department of Health, which outlines a timetable for the transfer of the licences and the freedom to choose a provider to the consumer. Accordingly a decision was made to amortise the value of the licences on a straight-line basis over seven years, covering the period until the Roadmap indicates that this reform will occur.

During the financial year an impairment assessment of each Care Centre was undertaken, resulting in no impairment of the licences (2020: \$Nil) in addition to the ongoing amortisation.

<b>Movements in carrying amounts of intangible assets</b>	Residential Aged Care Bed Licences
	\$'000
<b>Year ended 30 June 2021</b>	
Balance at the beginning of the year	2,459
Amortisation	(819)
<b>Closing value at 30 June 2021</b>	<b>1,640</b>

<b>16 Property, Plant and Equipment</b>	2021	2020
	\$'000	\$'000
<b>Freehold land</b>		
At cost	4,321	4,321
Accumulate impairment losses	(177)	(177)
	4,144	4,144
<b>Buildings</b>		
At cost	27,775	27,665
Accumulated depreciation	(19,792)	(19,269)
	7,983	8,396
<b>Plant and equipment</b>		
At cost	10,213	9,456
Accumulated depreciation	(6,856)	(6,125)
	3,357	3,331
<b>Motor vehicles</b>		
At cost	913	1,093
Accumulated depreciation	(811)	(885)
	102	208
<b>Furniture and fittings</b>		
At cost	1,930	1,849
Accumulated depreciation	(1,239)	(1,108)
	691	741
<b>Low value assets</b>		
At cost	1,025	943
Accumulated depreciation	(1,025)	(943)
	-	-
<b>Under construction assets</b>		
At cost	178	152
	178	152
<b>Total property, plant and equipment</b>	<b>16,455</b>	<b>16,972</b>

## 16 Property, Plant and Equipment (continued)

### Movements in carrying amounts of property, plant and equipment

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

	Freehold Land	Buildings	Plant and Equipment	Motor Vehicles	Furniture and Fittings	Low Value Assets	Under Construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2021</b>								
Balance at the beginning of year - as previously reported	18,470	39,595	3,331	208	741	-	22,113	<b>84,458</b>
Additions								
Prior year restatement (note 4)	(14,326)	(31,199)	-	-	-	-	(21,961)	<b>(67,486)</b>
Balance at the beginning of the year - restated	4,144	8,396	3,331	208	741	-	152	<b>16,972</b>
Additions	-	110	1,052	2	113	114	26	<b>1,417</b>
Disposals	-	-	(165)	(10)	(7)	-	-	<b>(182)</b>
Depreciation expense	-	(523)	(861)	(98)	(156)	(114)	-	<b>(1,752)</b>
<b>Balance at the end of the year</b>	<b>4,144</b>	<b>7,983</b>	<b>3,357</b>	<b>102</b>	<b>691</b>	<b>-</b>	<b>178</b>	<b>16,455</b>

## 17 Right-of-use Assets

	2021	2020
	\$'000	\$'000
<b>Right-of-use plant &amp; equipment</b>		
At cost	301	294
Accumulate impairment losses	(145)	(87)
	156	207
<b>Right-of-use motor vehicles</b>		
At cost	444	489
Accumulated depreciation	(242)	(163)
	202	326
<b>Right-of-use buildings</b>		
At cost	1,952	1,996
Accumulated depreciation	(657)	(333)
	1,295	1,663
<b>Total property, plant and equipment</b>	<b>1,653</b>	<b>2,196</b>

### Movements in carrying amounts of right-of-use assets

Movement in the carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year:

	Right-of-use plant & equipment	Right-of-use motor vehicles	Right-of-use buildings	Total
	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2021</b>				
Balance at the beginning of year	207	326	1,663	<b>2,196</b>
Additions	12	68	-	<b>80</b>
Disposals	(2)	(25)	(44)	<b>(71)</b>
Depreciation charge	(61)	(167)	(324)	<b>(552)</b>
<b>Balance at the end of the year</b>	<b>156</b>	<b>202</b>	<b>1,295</b>	<b>1,653</b>

See note 20 for details of leasing activities.

<b>18 Trade and Other Payables</b>	2021	2020
	\$'000	\$'000
Trade payables	1,088	1,382
Accrued expenses	-	314
Contract liabilities	1,702	1,600
Accrued payroll account	1,665	1,585
Retentions held on WIP contracts	259	278
	<b>4,714</b>	<b>5,159</b>

Trade payables are normally settled between 7 and 30 days.

<b>(a) Accommodation payables</b>	2021	2020
	\$'000	\$'000
Pre 1992 agreements (Pre '92)	-	75
Accumulated Diminution	-	(11)
	-	<b>64</b>
Resident Licence Contribution	99,568	88,760
Accumulated Diminution	(12,872)	(12,134)
	<b>86,696</b>	<b>76,626</b>
Provision against gains on disposals of retirement living accommodation	166	266
Retirement living right to occupy impairment provision	-	31
	<b>166</b>	<b>297</b>
Accommodation bonds and refundable accommodation deposits	38,064	35,323
Accumulated retentions / drawn-down accommodation payments	(488)	(535)
	<b>37,576</b>	<b>34,788</b>
	<b>124,438</b>	<b>111,775</b>
<b>Allocation of accommodation payables:</b>		
Payables expected to be paid in 12 months	9,169	8,846
Payables not expected to be paid in 12 months	115,269	102,929
	<b>124,438</b>	<b>111,775</b>

Accommodation payables expected to be paid in 12 months is the average of payments made during the current and preceding three years.

#### **(a) Accommodation payables (continued)**

Pre 1992 Agreements relate to Retirement Village residents and are carried at the principal amount. An accumulated diminution account records the reduction in principal. An additional liability payable to the outgoing resident arises on the changeover of the unit. The amount payable is 50% of the difference between the licence contribution paid by the incoming resident, and the interest-free loan of the exiting resident, less any unit refurbishment costs. Resident interest-free loans comprise a gift /donation component, which was taken to account as income over a period of five years from the agreed date of occupancy as stated in the resident agreement. The balance of the loan is refunded to the resident in accordance with contractual obligations.

Post 1992 Resident Licence Contributions relate to Retirement Village residents and are carried at the principal amount. No interest is due and payable as per the terms of the Residency Agreement. An accumulated diminution account records the reduction in principal, with the net licence contribution refundable to the resident, reducing on an annual basis on a sliding scale as stated in the resident agreement. The balance of the licence contribution is refunded to the resident in accordance with contractual obligations.

Accommodation Bonds reduce progressively over a period of five years in accordance with Division 57 of the Aged Care Act 1997. The Accommodation Bond is refunded to the Resident within a maximum of 14 days from termination of agreements. Refundable Accommodation Deposits (RADs) replaced Accommodation Bonds from 1 July 2014; diminution occurs only if there is a balance of the accommodation price to be covered by Daily Accommodation Payments and the resident has opted to pay these by drawing down on the lump sum. RADs are refundable on termination of agreements.

<b>19 Provisions</b>	2021	2020
	\$'000	\$'000
<b>CURRENT</b>		
Long service leave	830	789
Annual leave	2,892	2,589
Minor projects	-	94
Self insurance	1,496	1,260
Legal costs	21	252
	<b>5,239</b>	<b>4,984</b>
<b>NON-CURRENT</b>		
Long service leave	880	878
Self insurance	904	825
	<b>1,784</b>	<b>1,703</b>

	Long Service Leave	Annual Leave	Legal costs	Self Insurance	Minor Projects	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2020	1,667	2,589	2,085	252	94	<b>6,687</b>
Raised during the year	561	2,875	1,266	-	-	<b>4,702</b>
Unused amounts reversed	(252)	-	(8)	-	-	<b>(260)</b>
Used/released	(266)	(2,572)	(943)	(231)	(94)	<b>(4,106)</b>
<b>Balance at 30 June 2021</b>	<b>1,710</b>	<b>2,892</b>	<b>2,400</b>	<b>21</b>	<b>-</b>	<b>7,023</b>

The self-insurance provision relates to claims under the employee insurance scheme of which Sundale is a member; the outflows of these provisions are of uncertain timing and amount due to the many factors involved such as response to treatment and outcome of common law claims. An actuary reports annually on the scheme's performance and outlook and provides an estimate of the portion of provision likely to be used within the next 12 months, and the split between current and non-current elements of the provision shown in the table has been derived from the most recent report. \$321k (2020: \$277k) of the total provision relates to statutory claims as estimated by the actuary; the balance is management's estimate of common law claims liability based upon the actuary's report and assessment of current cases.

The minor projects provision relates to costs which have been incurred but not invoiced as at 30 June 2020.

The opening provision for legal costs was largely related to a claim against the Entity which was settled during the year being reported. The remainder of the balance is in relation mainly to legal assistance with ongoing debt collection.

## 20 Interest bearing loans and borrowings

	2021	2020
	\$	\$
<b>Current</b>		
Lease liabilities	469	481
Loans from residents	5	25
	<b>474</b>	<b>506</b>
<b>Non-current</b>		
Lease liabilities	1,082	1,531

The entity leases motor vehicles, mainly for provision of In-home Care services, for periods of two to four years. Options to extend these leases are rarely exercised. Printer/photocopier equipment is leased on an agreement with a term of 52 months; this agreement replaced a 60-month agreement during the 2019/20 financial year, with the revised term set so as to leave the expiry date unchanged. During the course of 2020/21 minor additions and disposals of the equipment under the lease took place, with lease balances being adjusted accordingly. On 1 July 2019 the Entity entered a lease to occupy a Head Office building for a period of three years, with an option to extend for a further three years. The lease liability and right-of-use asset for this lease have been set up based on an assumption that the extension will be taken up.

	2021	2020
	\$	\$
<b>Future lease payments</b>		
<b>Future lease payments are shown as follows:</b>		
Within one year	469	481
One to five years	1,082	1,531
	<b>1,551</b>	<b>2,012</b>

## 21 Related parties

The Directors of the Board during the financial year were:

Mr J Woodward (Chairman until 10 December 2020)  
 Mr T Wainwright (Deputy Chairman until 10 December 2020, Chairman from 11 December 2020)  
 Ms C Perren  
 Ms A Phillips  
 Mr I Hall  
 Mr S Telburn (Deputy Chairman from 11 December 2020)  
 Ms S Walters  
 Mr D Lundberg (Appointed 11 December 2020)

There were no transactions with Directors or parties related to Directors during the course of the financial year ended 30 June 2021 except for payment of remuneration and reimbursement of expenses.

<b>The compensation paid to directors and key management personnel is as follows:</b>	2021	2020
	\$	\$
<b>Aggregate Compensation</b>	<b>1,593,799</b>	<b>1,697,719</b>

### Other transactions with Key Management Personnel:

There were no transactions with other related parties that needed to be disclosed in the financial statements in the current or in the previous financial year.

## 22 Impact of Coronavirus (Covid-19) pandemic

As the Coronavirus (COVID-19) pandemic has developed the Entity's main response has been to manage the risks which the situation creates (work which includes financial and operational modelling of varying severity-level impacts), maximise preparedness for any outbreak and ensure that full advantage is taken of available financial support to meet the costs of such work. On the ground extra resource has been brought in primarily to manage the increased restrictions on visitations etc. and to maintain residents' quality of life in the face of such restrictions.

The income of \$7,771,000 (2020: \$6,009,000) and costs of \$2,182,000 (\$1,005,000) directly attributable to this event have been shown in the Statement of Profit or Loss and Other Comprehensive Income under Significant Items and are made up as follows:

	2021	2020
	\$	\$
JobKeeper (JK) payment receivable due to reduction in turnover	7,320	5,581
Federal Govt. Covid-19 support payment	377	326
Commonwealth Govt. Continuity of Workforce Supply payments	44	87
Commonwealth Govt. temporary increase in Viability Supplement	30	15
<b>Total Government assistance</b>	<b>7,771</b>	<b>6,009</b>
JK top-up payments to staff as required under JK scheme	(800)	(549)
Spend with suppliers (mainly Personal Protective Equipment, lifestyle enhancement technology, communications and other professional assistance)	(628)	(325)
Additional rostered staffing hours	(754)	(131)
<b>Total additional direct costs</b>	<b>(2,182)</b>	<b>(1,005)</b>
<b>Net identifiable impact</b>	<b>5,589</b>	<b>5,004</b>

### 23 Discontinued operations

During the course of 2020-21 two of the three caravan parks operated by the Entity were disposed of and their results have been included under discontinued operations. The figures described below make up the discontinued operations figure reported within the Statement of Profit or Loss and Other Comprehensive Income. For the year ended 30 June 2021 the figures relate solely to the two caravan parks disposed of.

In February 2020 operation of the WeRock! Childcare centre was transferred to Nambour Christian College, with the Entity continuing to own the premises as lessor. The 2020 figures include the discontinued operations previously reported in relation to the WeRock! Childcare centre and the comparative effect of the caravan parks discontinued operations.

	2021	2020
	\$'000	\$'000
Operational revenues	1,635	2,141
Other revenue	67	51
<b>Total revenue</b>	<b>1,702</b>	<b>2,192</b>
Employee costs	(283)	(857)
Other operational costs	(602)	(805)
Depreciation and impairment	(16)	(66)
Housekeeping	(105)	(103)
Repairs and maintenance	(67)	(77)
Energy	(92)	(108)
Revaluation	-	241
Jobkeeper income	36	51
Minor project costs	-	(29)
<b>Total expenses</b>	<b>(1,129)</b>	<b>(1,753)</b>
<b>Net result from operation</b>	<b>573</b>	<b>439</b>

Cash flows from the discontinued operation were as follows:

	2021	2020
	\$'000	\$'000
Operating	553	(533)
Investing	12,137	-
Financing	(35)	-
<b>Net cash inflows/(outflows)</b>	<b>12,655</b>	<b>(533)</b>

### 24 Contingent assets and liabilities

Other than the legal matters discussed under Note 19 above, there are no material contingent liabilities not elsewhere reported in this annual financial report; the same was true for the 2019-20 report.

### 25 Events after the reporting period

The Directors are not aware of any matter or circumstance since the end of the financial year that has not been otherwise dealt with in the report or financial statements and that has significantly affected or may significantly affect the Entity's operations, the results of those operations or the Entity's state of affairs in future.

### 26 Commitments

	2021	2020
	\$'000	\$'000
<b>(a) Capital expenditure commitments</b>		
Estimated Capital Expenditure contracted for at balance date, but not provided for or payable:		
<b>Under construction</b>		
Not later than 1 year	851	294
<b>Plant and Equipment</b>		
Not later than 1 year	235	331

### 27 Fair Value Measurement

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

#### Fair value hierarchy

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

<b>Level 1:</b> Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date	<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	<b>Level 3:</b> Unobservable inputs for the asset or liability
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	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2021</b>				
Investment property	-	-	179,257	179,257
Managed funds	48,095	-	-	48,095
	<b>48,095</b>	<b>-</b>	<b>179,257</b>	<b>227,352</b>
<b>30 June 2020</b>				
Investment property	-	-	174,525	174,525
Managed funds	41,154	-	-	41,154
	<b>41,154</b>	<b>-</b>	<b>174,525</b>	<b>215,679</b>

## 27 Fair Value Measurement (continued)

Assets and liabilities held for sale are measured at fair value on a non-recurring basis. There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

## 28 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by RSM Australia, for:

	2021 \$'000	2020 \$'000
<b>Audit Services</b>		
Auditing the financial statements	52,200	51,000
<b>Other services</b>		
Accounting and advisory services	10,800	14,500

## SUNDALE LTD – DIRECTORS DECLARATION

For the year ended 30 June 2021

### The directors of Sundale Ltd declare that in the directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
  - b. give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay all of its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2013 on behalf of the directors by:



**Troy Wainright** 12 October 2021

CHAIRPERSON  
Sundale Ltd

Australian Business Number 33 436 160 489

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDALE LIMITED

### Opinion

We have audited the financial report of Sundale Limited, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Sundale Limited has been prepared 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 Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

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

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

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Sundale Limited's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Sundale Limited'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 management either intends to liquidate Sundale Limited or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

The logo for RSM Australia Partners, featuring the letters "RSM" in a stylized, handwritten font above the text "RSM Australia Partners".

A handwritten signature in black ink, appearing to read "A. Loots".

**Albert Loots**  
Partner

Brisbane, Queensland  
Dated: 12 October 2021



**SUNDALE**

Because we care



[sundale.org.au](http://sundale.org.au)



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