



The Good Shepherd Home  
*EXCEPTIONAL CARE*

# ANNUAL REPORT 2023



# Our mission

The mission of The Good Shepherd Home is to care in a Christian manner for people who are chronically ill, sick or frail, aged or requiring special care in a homelike environment.

## Our values

### Respect | 'Be kind'

Everyone is worthy of respect and dignity – this is essential to quality of life. We value each individual's uniqueness by showing courtesy and regard for the feelings and wishes of others.

### Caring | 'Look after'

We take seriously the responsibility entrusted to us to look after those in our care. We seek to understand others' feelings and put ourselves in their shoes. Kindness, compassion and patience is at the heart of everything we do.

### Hospitality | 'Open arms'

With open arms and generous spirit, we are warm and welcoming to all. Together we strive to make others feel comfortable and at home. Our generous spirit and warmth, embraces others.

### Optimism | 'Be positive'

We look at the world with a positive outlook. We believe in helping others to live their best life. With a passionate approach, we are hopeful, resilient and go the extra mile.





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## **ABOUT US**

The Good Shepherd Home is a residential aged care provider with a long history in Townsville. Established in 1972, we recently celebrated 50 years of serving locals.

Today, we remain a not-for-profit provider, jointly overseen by the Anglican Diocese of North Queensland and the Good Shepherd Benefactors – a group of volunteer, Townsville based professionals.

## **Our History**

Prior to the 1970's, Townsville's aged were lacking support in the community. Members of the local Anglican Diocese – Barbara Rennie and Reverend John Clarkson took up the call, initiating a motion for a Hospice Feasibility Committee at the 1968 North Queensland Anglican Synod. And that was the beginning of The Good Shepherd Home.

The Good Shepherd Home was launched with nearly half a million dollars of community support allowing the construction of a facility on a former potato farm that had been sold back to council.

By 1978 a new campaign was underway to double the facility and add a day therapy centre. This round of expansion was completed in 1982.

In 1994, The Good Shepherd Home added Grevillea and Hibiscus, welcoming 36 new permanent residents.

Further expansion occurred in 1999 with the construction of George Roberts House, welcoming 66 new residents. This facility was named for Good Shepherd's longstanding chairman, who nurtured and promoted The Good Shepherd Home for 22 years.

Riverview House — Townville's first premium aged care suites — opened in 2006. Pinnacles House followed in 2015 with many units offering outstanding views of either Ross River or Mount Stuart.

Whilst the buildings are important, we share three of our borders with Ross River and the Palmetum creating an amazing natural environment for Residents and families.

## SECTION 2 – Our People

### Governing Body

Name	Position	Dates acted (if not for whole year)
Peter Honeycombe	Director Chair	
Renee Bennett	Director	Appointed October 2022
Ross Maclean	Director	Appointed March 2023
Dr Alison Cottrell	Director / Council Chair	
Tracey Holmes	Council Deputy Chair	Appointed Jul 2022
Rev. Stephanie Patching	Council Member	
Dr Owen Stanley	Council Member	
Dr John Stokes	Council Member	Resigned Oct 2023
Robin Laver	Council Member	
Pat Driscoll	Council Member	Appointed Jul 2022
Dr Nathan Dawes	Council Member	Appointed Aug 2023
Rebecca Seymour	Council Member	Appointed Aug 2023
David Glasgow	Resident Advocate	

### Executive

Name	Position	Dates acted (if not for whole year)
Brian Matthews	CEO	
Leonie O'Neill	Director of Care	



## Directors



**Peter Honeycombe**  
Director (Chair)

Peter Honeycombe launched Honeycombes Property Group in 1991. He holds a Bachelor of Business Degree, is a qualified house builder, low rise builder and an open commercial builder, is a licenced real estate agent and has over 35 years' experience in the property industry.

The Honeycombes Property Group has developed more than \$1.5Billion of mixed-use property across Queensland from Cairns to Brisbane.

As a Fellow of the Australian Institute of Company Directors, Peter has held many Directorship positions over the last 20 years including The College of Nations, Townsville Enterprise Limited, and the previously ASX listed Mackay Permanent Building Society.



**Renee Bennett**  
Director

Renee Bennett is Partner of the Succession Law workgroup at Wilson Ryan Grose Lawyers. She holds a Bachelor of Laws degree and is a local to the Townsville legal profession, graduating from James Cook University.

Renee is a Queensland Law Society Accredited Specialist in Succession Law and an Adjunct Lecturer with the College of Law in the Masters of Law - Applied Law program.

Renee previously served for many years on the Board of Cootharinga North Queensland and as a committee member of STEP Qld. She is the current Chair of the Queensland Law Society Succession Law Specialist Accreditation Committee and is the current President of Townsville Business Women's Circle.



**Dr Alison Cottrell**  
Director / Council Chair

Alison Cottrell has a Bachelor of Arts, Master of Social Planning and Development, PhD and a Graduate Certificate in Education. She has more than 35 years' experience as a university researcher and educator and served for over 10 years on the James Cook University Human Research Ethics Committee. At retirement her roles included Associate Professor, Associate Dean Research Education and Co-director for the Centre for Disaster Studies.

Since 2020 she has been on the Council at The Good Shepherd Home and in the role of Chair since 2022. Areas of expertise include social systems analysis, governance, community participation, resilience, and mentoring. Current interests include the not-for-profit sector, aged care and housing.



**Ross Maclean**  
Director

Ross Maclean holds a Bachelor of Commerce from James Cook University, is a Fellow of the Chartered Accountants Australia and New Zealand, a Certified Financial Planner and a Graduate of the Australian Institute of Company Directors.

He commenced the firm of Maclean Partners Chartered Accountants in 1985 and during his time in professional practice focused on providing advice to clients on business structuring and taxation planning, family farm intergenerational succession, estate planning, self-managed superannuation funds, financial planning strategies and business development.

In 2021, he stepped back from his full-time position with the firm and commenced in a consultancy role. He continues to be closely involved with a small number of his long-term clients and remains available to provide input in areas where his experience and knowledge can be utilised.

He is also Chairman of the Board of ASSG Limited, the entity that owns the campus of All Souls St Gabriels School in Charters Towers and he maintains a close interest in the provision of education in regional and rural Queensland.



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## **The Good Sheperd Homes Council**

The Good Shepherd Home is overseen by a Governing Council of community leaders who bring a wide variety of skills and experience to The Good Shepherd Home.

This Council provides governance and strategic direction to the management team to ensure the values and mission of the home are always upheld.

**Dr Alison Cottrell (Chair/Director)** – see profile page 7

### **Tracey Holmes (Deputy Chair)**

Tracey Holmes was born in the UK and emigrated to Australia in 2007. Tracey is a member of the Institute of Public Accountants, holding both a Graduate Certificate in Professional Accounting and a Master of Commerce and is a Graduate of the Australian Institute of Company Directors. Tracey has led a number of senior positions across corporate financial management, strategic planning and project development including feasibility and business case development for major projects. Tracey is currently the Director Corporate Services and Company Secretary for Townsville Enterprise Limited.

### **Dr Owen Stanley**

Owen Stanley has a Bachelor of Economics from Sydney University and a PhD from the Australian National University. He has worked as an academic economist throughout his working life, holding positions in both Australia and overseas, and retiring as a Professor. As an academic at James Cook University, he held positions including the Head of the School of Business and the Director of External Programs for the Faculty. Outside of academe, he has been the Director and Manager of a consulting company and is currently a Director and the Treasurer of the Townsville Yacht Club. Most relevant to his current position on the Council as Chair of the Finance and Investment Committee, his teaching and research included the discipline of corporate finance. His current interests include not-for-profit organisations and care for the aged.

### **Dr John Stokes (Resigned October 2023)**

John Stokes undertook a Bachelor of Surgery and Medicine, and Bachelor of Medicine in Science at the University of NSW and completed his Internship, Residency and Specialist Training at Sydney Hospital, St Vincents Hospital and The Royal Children's Hospital. John has extensive medical experience both in Australia and New Zealand and has held senior positions as Director of Anaesthesia and Intensive Care at Palmerston North Hospital in NZ, Senior Lecturer in Anaesthesia and Intensive Care at Otago University in Dunedin NZ, Director of Intensive Care at the Mater Hospital in Townsville, Director of Medical Services at the Mater in Townsville, Associate Professor at James Cook University School of Medicine, Chair of the Curriculum Committee at JCU Medical School. In addition, John has taught throughout his career both undergraduate students and postgraduate trainee specialists. John's experience includes a school board in Dunedin and the Board at the Mater Private Hospital, Townsville.

### **Robin Laver**

Robin Laver has a Bachelor of Economics from James Cook University, a Graduate Certificate in Applied Finance and Investment from the Australian Securities Institute and is a graduate of Australian Institute of Company Directors. She has worked as an economist in Government, Semi Government and the private sector. Her experience includes economic policy development, economic regulation, competition policy, contract negotiation, market design and stakeholder consultation.

Robin served for three years on the Board of Tradition Credit Union, a not-for-profit financial institution based in Darwin, NT. Robin has special interests in social and economic welfare, aged care reform, environmental sustainability and animal justice.



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### **Rev. Stephanie Patching**

Stephanie Patching came to Townsville to take up the position of Rector of St Matthew's Anglican Church Mundingburra in January 2018. Stephanie studied theology and undertook priestly formation with St Francis Theological College, Brisbane. Initial on the job training, as an Assistant Curate, occurred at St Paul's Ipswich prior to transferring to St James' Toowoomba.

Stephanie is appointed by the Anglican Bishop of North Queensland as the Home's Chaplain and as such holds a permanent position as a member of the Homes Council under the terms of the Constitution and Council Rules.

### **Patrick Driscoll**

Patrick is an Engineer graduating from James Cook University. Of recent years he has worked extensively in the delivery of digital business solutions, business analysis, and project management to a variety of businesses. Patrick is an active community member having lead a community project to lobby for and realise a driver education and motor sport facility in Townsville, known as Drivelt NQ Limited. In his spare time, Patrick is currently studying Urban Planning and Design at a masters level and has a particular interest in improving the resilience and repurposing of existing buildings.

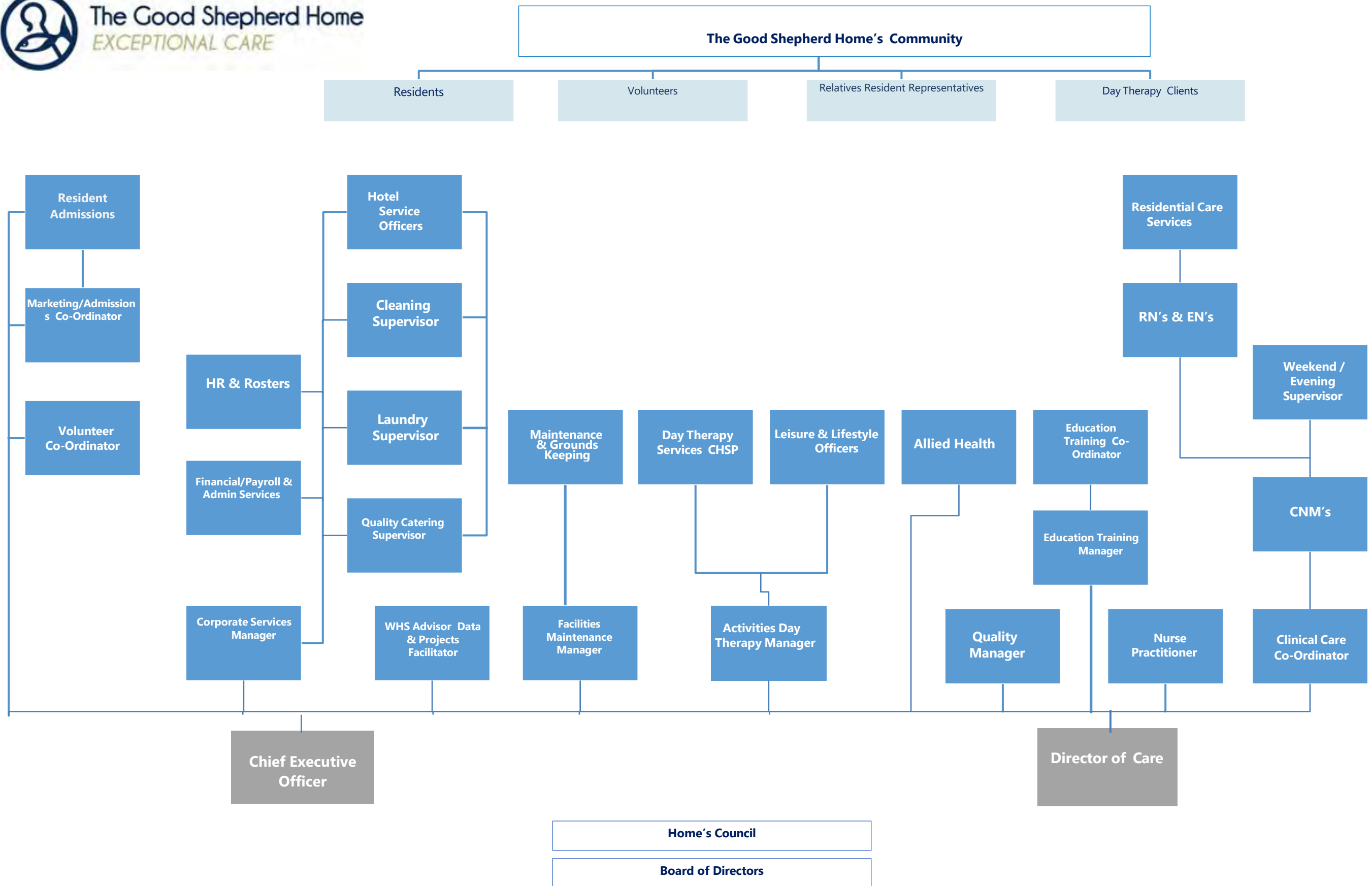
### **Rebecca Seymour**

Rebecca Seymour is a proud Mitakoodi woman from Mount Isa and has been in Townsville since 2009. With two young children of her own, Rebecca wants to inspire and develop their values for helping vulnerable people and giving back to the community. Rebecca is currently engaged with Anglicare NQ as a youth worker specialising in homelessness and community outreach.

### **Dr Nathan Dawes**

Nathan Dawes is an occupational therapist and public health academic in the College of Public Health, Medical and Veterinary Sciences, James Cook University. As a clinician, he has professional experience in aged care, mental health, and occupational rehabilitation across the public and private healthcare sectors. He currently teaches a range of undergraduate and postgraduate public health subjects, is the Associate Dean of Learning and Teaching for the College and is the Course Coordinator for the Master of Public Health and Tropical Medicine program. Nathan is a researcher in the field of Health Policy and Systems Research. Within this area, he focuses on the intersection of leadership, workforce development and health service delivery in aged care, mental health and post-disaster settings. In 2022, Nathan completed his PhD exploring the role of leadership in promoting and protecting the quality of aged care.

Executive and senior Staff



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## SECTION 3 – Governance

### STRUCTURE & MANAGEMENT

The Good Shepherd Limited acts as trustee for the Good Shepherd Nursing Home Charitable Trust and is registered with the Australian Charities and Not-for-profits Commission (ACNC).

#### **The Good Shepherd Home's Community**

Permanent and Short-term Respite Residents  
Townsville University Hospital Interim Care Residents  
Day Clients  
Relatives and Resident representatives  
Volunteers

#### **The Good Shepherd Limited Members**

The Corporation of the Diocesan Synod of North Queensland  
The Benefactors of the Good Shepherd Nursing Homes Limited

#### **The Good Shepherd Limited Board of Directors**

Peter Honeycombe (Chair)  
Renee Bennet  
Ross Maclean  
Dr Alison Cottrell

#### **The Good Shepherd Homes Council**

Dr Alison Cottrell (Chair)  
Tracey Holmes (Deputy Chair)  
Dr Nathan Dawes  
Pat Driscoll  
Robin Laver  
Rev. Stephanie Patching  
Rebecca Seymour  
Dr Owen Stanley  
Dr John Stokes (Resigned 31st\_October 2023)







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## CHAIRPERSON'S REPORT – BOARD OF DIRECTORS

**Thank you to all the Good Shepherd staff for their on-going dedication and care to our Residents and their families throughout 2023.**

2023 has been a year of significant change not only for the Good Shepherd but also for the Aged Care sector as government reforms continue to be introduced; a new funding model, mandated care minutes and publicly accessible star ratings plus a new suite of Aged Care standards planned for 2024. As the government moves to strengthen governance and the transparency of the sector, perhaps it is worth reviewing the Good Shepherd and the goals we strive for.

The Good Shepherd celebrated 50 years of service in 2022. The Home was founded by the North Queensland Anglican Diocese along with community volunteers who saw a need and were willing to take action to address that need. There was no thought of self-benefit or any ulterior motive – only that the frail aged in the community might find a place to receive the care they required.

Today, not much of this original drive has changed. The Good Shepherd remains not-for-profit. It is governed by a team of professionals and business leaders who volunteer their time and experience to ensure the Home operates to provide Residents with the care they require.

Whilst the Aged Care sector has seen a huge growth in external regulation and accountability in recent years, I believe the underlying values that drive those who oversee the Home and influence how it operates are consistent with both community and government expectations:

We strive to work within a sound Christian ethos:

- be respectful in our actions and words to all.
- take seriously the responsibility to look after those in our care.
- offer a warm and generous spirit so that both Residents and their families feel comfortable.
- create an optimistic environment where Residents can live their best life.

These are difficult values to consistently achieve, particularly amidst the challenges that present each of us and our residents daily. However, these are the values to which we aspire and base our decisions and planning upon.

After several years of poor or negative returns, 2023 delivered a much-improved financial result. The combination of a new funding model and receipt of a significant capital grant allowed the home to review its operations and upgrade both equipment and buildings. Of particular note, over \$1m was reinvested in new plant to ensure Residents would remain cool over Townsville's tropical summer months. Expenditure included the installation of a second generator to deliver emergency power should the mains supply be cut.

Looking forward, plans for a major refurbishment of Grevillea are well advanced and we hope to commence construction prior to the end of 2024. For the longer term, a Master Site Plan is being developed to remove the remaining shared rooms and communal bathrooms although we will retain sufficient rooms that would be suitable for couples sharing.

On behalf of the Board of Directors, it is important to note the huge effort and contribution of our Chief Executive Officer, Brian Matthews and his executive team along with the tireless commitment from Homes' Council, Chaired by Alison Cottrell. Finally, thank you to the all the team at The Good Shepherd including my fellow Directors and I look forward to further achievements in 2024.

Peter Honeycombe  
Chairman – Board of Directors







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## CHAIRPERSON'S REPORT – HOMES COUNCIL

**During the past year, the Good Shepherd provided care to over 550 Residents including almost 200 Interim Care Residents from the Townsville University Hospital.**

2023 provided plenty of challenges but also proved to be a significant turning point for the Home. COVID-19 continued to impact both Residents and staff causing several outbreaks and creating staffing difficulties. Whilst we are all learning to live with COVID, the virus places additional restrictions on Residents and visitors and adds to existing staffing pressure for an already stretched workforce. We are immensely proud of the way our staff maintained their focus on Residents despite at times difficult circumstances.

Staffing remains the highest priority for the Home. The Home typically employs in excess of 350 staff across all departments. For much of 2023, that number was reduced by up to 5% as all health providers in the region competed for quality staff. Changes introduced by the Commonwealth link new funding rates to expected care minutes for each Resident placing pressure on Homes to maintain approximately 200 minutes of Care staff and 40 minutes of Registered Nurse time per Resident. During the course of the year, the Home has achieved close to or exceeded the total care minutes required, however was well short of the required RN time. To ensure Residents receive the care they require, Enrolled Nurses are rostered to shifts when RNs are not available.

Whilst still a very difficult environment, staffing has improved across all departments with worked hours increasing by 9% for care and 8% overall.

Following several years of poor financial results, the introduction of the new funding model in October together with consistent occupancy paved the way for a significant improvement. The Home also benefited from the receipt of grant funds of \$1,500,000 under the Business Improvement Fund.

The Grant allowed the home to seek professional advice to improve operations plus replace or introduce much needed new equipment. The recently commissioned 220kw solar installation on the roof of Pinnacles House was funded by the grant and will help offset dramatically higher electricity costs. New IT equipment, upgraded WiFi and internet speed facilitated an increasingly mobile work force that could spend more time with Residents and reduce time at the nurse's station. Previously a fee-for-service, internet access is now provided to all Residents at no charge.

The much anticipated FRIEND (*Frailty Reduction via Intensive Exercise, Nutrition and De-prescribing*) program was implemented with support from James Cook and Sydney Universities. Over 30 Residents participated in the intensive gym sessions with remarkable improvements in strength and mobility. A new menu was introduced together with various food related initiatives aimed at maintaining weight and good health. A university pharmacist also reviewed Resident medications and worked with staff and GPs in reducing the number of medications where appropriate. The Home employed a full time Exercise Physiologist to ensure the benefits experienced by the pilot group can be continued and offered to more Residents in 2024 and beyond.

Looking to the future, the Home hopes to commence the major refurbishment of Grevillea House in 2024. Local firm i4Architecture is finalising the detailed design which will offer Residents a much improved environment with a strong focus on the river and gardens outlook.

A review of the secure dementia support unit was undertaken in late 2023. A new model of care has been developed and a range of dementia specific improvements to the environment are planned for implementation early 2024.

Dr Alison Cottrell  
Chair – The Good Shepherd Homes Council







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## INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF THE GOOD SHEPARD HOME AND THE SECRETARY  
OF THE DEPARTMENT OF HEALTH AND AGED CARE FOR THE YEAR ENDED  
30 JUNE 2023

Report on The Good Shephard Home's compliance with the *Aged Care Act 1997* and  
the *Fees and Payments Principles 2014 (No.2) (Fees and Payments Principles)*

We have audited the compliance of The Good Shepherd Homes Charitable Trust with the  
requirements of *Part 5, Part 6, and Part 7 of the Fees and Payments Principles* for the period 1  
July 2022 to 30 June 2023.

### Opinion

In our opinion, The Good Shepherd Homes Charitable Trust has complied, in all material  
respects, with the requirements of Part 5, Part 6, and Part 7 of the *Fees and Payments  
Principles* (as amended) for the period 01 July 2022 to 30 June 2023.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Guide to audit of an approved provider's  
compliance with the prudential requirements (the Guide), we are required to report all  
instances of non-compliance with the requirements of the Act and the Fees and Payments  
Principles by The Good Shepherd Homes Charitable Trust that came to our attention during  
the course of our audit. We have no instances to report.

### Council's Responsibility

The Council members of The Good Shepherd Homes Charitable Trust are responsible for  
compliance with the Act and the Fees and Payments Principles and for such internal control as  
the Council members determines is necessary for compliance with the Act and the Fees and  
Payments Principles. The responsibilities of the Council members include requirements under  
the Act and the Fees and Payments Principles for the preparation and presentation of the  
Annual Prudential Compliance Statement (APCS) and compliance with the Prudential  
Standards contained within the Fees and Payments Principles.

### Auditor's Responsibility

Our responsibility is to form and express an opinion on The Good Shepherd Homes Charitable  
Trust's compliance, in all material respects, with the prudential requirements of the Act and  
the Fees and Payments Principles.

Our audit has been conducted in accordance with the applicable Standards on Assurance  
Engagements (ASAE 3100 Compliance Engagements), issued by the Auditing and Assurance  
Standards Board and with the requirements of the Department of Health and Aged Care as set  
out in the Guide. Our audit has been conducted to provide reasonable assurance that The

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Good Shepherd Homes Charitable Trust has complied with the requirements of the Fees and Payments Principles. ASAE 3100 requires that we comply with relevant ethical requirements.

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Guide. The audit procedures have been undertaken to form an opinion on compliance of The Good Shepherd Homes Charitable Trust with Part 5, Part 6, and Part 7 of the Fees and Payments Principles. Audit procedures include obtaining evidence relating to refundable deposits, accommodation bonds and entry contributions held; refunds of refundable deposits, accommodation bond balances and entry contributions; limits on charging refundable deposits, accommodation bonds; compliance with the Prudential Standards relating to liquidity, records, governance and disclosure; and use of refundable deposits and accommodation bonds.

#### Use of Report and Restriction on Distribution

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

#### Inherent Limitations

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

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

#### PKF NORTH QUEENSLAND AUDIT

A handwritten signature in black ink, appearing to read 'Tim Follett', written over a light blue horizontal line.

TIM FOLLETT  
PARTNER

TOWNSVILLE  
16 OCTOBER 2023

ASIC REGISTERED COMPANY AUDITOR NUMBER: 509895

# **The Good Shepherd Homes Charitable Trust**

**ABN 33 905 968 697**

**NAPS ID: 3417**

## **Financial Statements**

**For the year ended 30 June 2023**

## The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

### Council's report For the year ended 30 June 2023

The Council present their report, together with the financial statements, on the company for the year ended 30 June 2023,

#### Council

The names of the council members during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Alison Cotrell (Chair/Deputy Chair)  
Ms Tracey Holmes  
Mr John Stokes  
Mr Owen Stanley  
Mr Robin Laver  
Mr Patrick Driscoll  
Reverend Stephanie Patching  
Mr Peter Sladden (Resigned September 2022)

#### Principal activities and significant changes in nature of activities

The principal activities of Good Shepherd Homes Charitable Trust during the financial year was the provision of residential aged care facilities.

There were no significant changes in the nature of The Good Shepherd Homes Charitable Trust's principal activities during the financial year.

Signed in accordance with a resolution of the Council:

Chair: 

Dated this *sixteenth* day of *October* 2023



**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE COUNCIL MEMBERS OF THE GOOD SHEPHERD HOMES**  
**CHARITABLE TRUST**

I declare that, to the best of my knowledge and belief, during the year ended Friday, 30 June 2023, there have been no contraventions of:

- (a) the auditor independence requirements *as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



PKF NORTH QUEENSLAND AUDIT



TIM FOLLETT  
PARTNER

TOWNSVILLE  
16 October 2023

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

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# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	3	28,968,820	24,926,163
Finance income	4	1,683,649	1,127,193
Other income	5	3,373,472	2,541,949
Employee benefits expense		(19,934,756)	(19,267,365)
Depreciation		(1,498,888)	(1,822,294)
Other expenses	5	(6,486,319)	(9,890,089)
Finance expenses	4	(1,612,060)	(1,204,649)
<b>Profit/(loss) before income tax</b>		<b>4,493,918</b>	<b>(3,589,092)</b>
Income tax expense		-	-
<b>Profit/(loss) for the year</b>		<b>4,493,918</b>	<b>(3,589,092)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>4,493,918</b>	<b>(3,589,092)</b>

The accompanying notes form part of these financial statements.



# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Statement of financial position

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	9,759,789	6,318,004
Trade and other receivables	8	573,730	595,566
Inventories	7	310,668	358,905
Financial assets	9	19,206,219	16,097,108
Other assets	11	785,874	367,288
<b>TOTAL CURRENT ASSETS</b>		<b>30,636,280</b>	<b>23,736,871</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	39,272,428	39,777,300
<b>TOTAL NON-CURRENT ASSETS</b>		<b>39,272,428</b>	<b>39,777,300</b>
<b>TOTAL ASSETS</b>		<b>69,908,708</b>	<b>63,514,171</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,036,028	1,817,292
Other liabilities	13	31,067,269	27,660,891
Employee benefits	16	2,736,555	2,703,761
Contract liabilities	14	158,036	927,691
<b>TOTAL CURRENT LIABILITIES</b>		<b>34,997,888</b>	<b>33,109,635</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	16	206,211	193,846
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>206,211</b>	<b>193,846</b>
<b>TOTAL LIABILITIES</b>		<b>35,204,099</b>	<b>33,303,481</b>
<b>NET ASSETS</b>		<b>34,704,608</b>	<b>30,210,690</b>
<b>EQUITY</b>			
Reserves	17	18,865,756	18,865,756
Retained surpluses		15,838,852	11,344,934
<b>TOTAL EQUITY</b>		<b>34,704,608</b>	<b>30,210,690</b>

The accompanying notes form part of these financial statements.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Statement of changes in equity

For the year ended 30 June 2023

2023

	Retained Earnings \$	Asset Revaluation Surplus \$	Total \$
<b>Balance at 1 July 2022</b>	<b>11,344,934</b>	<b>18,865,756</b>	<b>30,210,690</b>
Profit/(loss) for the year	4,493,918	-	4,493,918
Other comprehensive income for the year	-	-	-
<b>Balance at 30 June 2023</b>	<b>15,838,852</b>	<b>18,865,765</b>	<b>34,704,608</b>

2022

	Retained Earnings \$	Asset Revaluation Surplus \$	Total \$
<b>Balance at 1 July 2021</b>	<b>14,934,026</b>	<b>18,865,756</b>	<b>33,799,782</b>
Profit/(loss) for the year	(3,589,092)	-	(3,589,092)
Other comprehensive income for the year	-	-	-
<b>Balance at 30 June 2022</b>	<b>11,344,934</b>	<b>18,865,756</b>	<b>30,210,690</b>

The accompanying notes form part of these financial statements.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Statement of cash flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		33,314,353	27,051,005
Payments to suppliers and employees		(31,877,211)	(24,604,819)
Interest received		-	7,389
Interest paid		-	(84,845)
Exchange traded funds distribution received		1,202,502	1,118,314
Net cash from operating activities		<u>2,639,644</u>	<u>3,487,044</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Receipts/(Payments) from/(to) investments in exchange traded funds		504,872	(1,019,226)
Payments to acquire property, plant and equipment		(3,109,111)	(929,280)
Receipts/(Payments) from/(to) residents and clients		3,406,378	(1,496,715)
Net cash provided by/(used in) investing activities		<u>802,140</u>	<u>(3,445,221)</u>
Cash and cash equivalents at the beginning of the financial year		6,318,004	6,276,181
Net increase in cash and cash equivalents held		3,441,784	41,823
Cash and cash equivalents at the end of the financial year	6	<u>9,759,789</u>	<u>6,318,004</u>

The accompanying notes form part of these financial statements.



# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

The financial report covers The Good Shepherd Homes Charitable Trust as an individual entity. The Good Shepherd Homes Charitable Trust is a not-for-profit Entity, registered and domiciled in Australia.

The principal activities of the Entity for the year ended 30 June 2023 were the operation of an aged care home.

The functional and presentation currency of The Good Shepherd Homes Charitable Trust is Australian dollars.

The financial report was authorised for issue by Council members on the date that the Responsible Persons' declaration was signed.

Comparatives are consistent with prior years, unless otherwise stated.

### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### Going Concern

The Entity is in a net current asset deficiency position. This deficiency principally arises due to refundable accommodation deposits (RADs) and accommodation bonds being reported as current liabilities as required under Australian Accounting Standards. However, in practice, RADs/accommodation bonds that are repaid are generally replaced by RADs from incoming residents in a short timeframe. Based on the cash flow forecasts for the next 12 months, the Entity will be able to pay its debts as and when they become due and payable. Accordingly, the financial report has been prepared on a going concern basis.

### Note 1. Summary of Significant Accounting Policies

#### Revenue recognition

The company recognises revenue as follows:

##### *Revenue from contracts with customers*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Entity expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Entity have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Revenue recognition (continued)

The revenue recognition policies for the principal revenue streams of the Entity are:

#### *Residential aged care*

The Entity recognises revenue from aged care services over time as performance obligations are satisfied, which is as the services are rendered; primarily on a daily or monthly basis. Revenue arises from discretionary and nondiscretionary services, as agreed in a single contract with the resident.

#### *Grant income*

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Entity considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

#### *Capital grants*

Capital grants received to enable the Entity to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Trust's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Entity. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

#### *Imputed income on RADs and Bonds*

Finance income (Note 4) includes imputed income from the provision of accommodation, which is accounted for as a Lease under AASB 16 Leases. The fair value of non-cash consideration (in the form of an interest-free loan) received from a resident that has elected to pay a RAD or accommodation bond is required to be recognised as income and correspondingly, interest expense (Note 4); with no net impact on the profit or loss.

#### *Donations, bequests and fundraising revenue*

Donations, bequests and fundraising revenue are recognised only when the Company gains control of the funds and when the funds do not give rise to a specific performance obligation.

### Income tax

The Entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

### Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

### Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

#### *Land and buildings*

Land and buildings are measured using the revaluation model.

#### *Plant and equipment*

Plant and equipment are measured using the cost model.

#### *Depreciation*

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Entity, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	25 years
Plant and Equipment	3-20 years
Motor Vehicles	5-8 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.



# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Financial instruments

Financial instruments are recognised initially on the date that the Entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### *Financial assets*

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification*

On initial recognition, the Entity classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Entity changes its business model for managing financial assets.

#### *Amortised cost*

The Entity's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

#### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Credit losses are measured as the present value of the difference between the cash flows due to the Entity in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Financial instruments (continued)

#### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Entity has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Entity renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognized in profit or loss.

#### *Other financial assets measured at amortised cost.*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognized. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognized.

#### *Financial liabilities*

The Entity measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Entity comprise trade payables, bank and other loans and lease liabilities.

### Impairment of non-financial assets

At the end of each reporting period the Entity determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

### Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash, including term deposits with a maturity date of within three months from balance date and which are subject to an insignificant risk of change in value.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Leases

#### Right-of-use asset

At the lease commencement, the Entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

#### Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Entity's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Entity's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Exceptions to lease accounting*

The Entity has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. The Entity recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Entity as a lessor

Contracts with customers contain provisions for accommodation, use of common areas/facilities for provision of care and other services. The Entity has concluded that its contractual arrangements relating to the provision of residential aged care are an operating lease pursuant to AASB 16, being the exclusive right to the use of a room by a resident.

For residential aged care accommodation arrangements where the resident has elected to pay a RAD or Bond, the Entity receives a financing benefit, being non-cash consideration, in the form of an interest free loan. On adoption of AASB 16, the fair value of this non-cash consideration is required to be recognised as income (to reflect the interest free loan financing benefit received on RADs and Bonds) and, correspondingly, interest expense (to record the financial liability associated with RADs and Bonds at fair value) with no net impact on profit or loss.

The application of AASB 16 for the year ended 30 June 2023 has been calculated based on:

- monthly average RAD / Bond balances; and
- interest rate equal to the Maximum Permissible Interest Rate (MPIR) of 5.00% between July and September 2022, 6.31% between October and December 2022, 7.06% between January and March 2023 and 7.46% between April and June 2023, which is a government set interest rate used to calculate the Daily Accommodation Payment to applicable residents.

The Entity's Statement of Profit or Loss and Other Comprehensive Income presents income of \$1,565,085 and an additional finance cost (i.e., interest expense) of \$1,565,085 with nil impact to net profit for the year.

The accounting treatment for residential aged care accommodation arrangements where residents have elected to pay a DAP has not changed upon adopting AASB 16.



# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Employee benefits

Provision is made for the Entity's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognized in profit or loss.

### Economic dependence

The Good Shepherd Homes Charitable Trust is dependent on Medicare Australia for a material amount of its revenue used to operate the business. At the date of this report the directors have no reason to believe that Medicare Australia will not continue to support The Good Shepherd Homes Charitable Trust.

### 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.

### Note 2. Critical accounting judgements, estimates and assumptions

Council members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however, as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### *Key estimates – Fair value of property, plant and equipment*

Certain classes of property, plant and equipment are measured using the revaluation model. Freehold land and buildings have been valued based on independent and Council members' valuations, using a market value approach. Management believes the judgements and inputs made in the valuations are reasonable based on current information and these judgements and inputs are reviewed regularly to take into account any material changes to assumptions.

#### *Key estimates - fair value of financial instruments*

The Entity has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### Note 3. Revenue and other Income

#### Revenue from continuing operations

	2023 \$	2022 \$
Revenue from contracts with customers		
Provision of services	6,462,304	6,109,176
Transitional care income	2,984,150	2,076,945
CHSP funding	410,847	337,152
Medicare government subsidies	18,319,864	15,830,581
Grant income	791,655	572,309
	<u>28,968,820</u>	<u>24,926,163</u>
Other income		
Insurance proceeds	-	941,252
Sundry income	822,480	482,382
Exchange traded funds investments distributions	693,165	1,118,314
Gain on exchange traded funds investments	1,857,827	-
	<u>3,373,472</u>	<u>2,541,949</u>

#### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023 \$	2022 \$
<b>Revenue recognition</b>		
- Over time	<u>28,968,820</u>	<u>24,926,163</u>
<b>Revenue from contract with customers</b>	<u>28,968,820</u>	<u>24,926,163</u>

### Note 4. Finance Income and Expenses

#### Finance income

	2023 \$	2022 \$
Interest income	118,564	7,389
Income on RADs and Bonds (refer to Leases Note)	1,565,085	1,119,804
	<u>1,683,649</u>	<u>1,204,649</u>

#### Finance expenses

	2023 \$	2022 \$
Interest expense	46,975	84,845
Interest expense on RADs and bonds (refer to Leases Note)	1,565,085	1,119,804
	<u>1,612,060</u>	<u>1,204,649</u>

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Note 5. Other Expenses

	2023	2022
	\$	\$
Advertising	62,873	42,321
Bad and doubtful debts	7,259	(42,897)
Catering expenses	1,267,170	1,066,789
Cleaning and laundry	142,245	123,572
Consulting and professional fees	287,049	279,682
Electricity and gas	583,008	554,159
Employment expenses	646,436	927,963
Extra services	28,690	25,100
Insurance and building remediation	88,435	112,286
Loss on exchange traded funds investments	-	3,470,973
Medical expenses	1,105,067	1,348,320
Other expenses	202,133	167,799
Rates	254,202	265,514
Repairs and maintenance	837,520	663,703
Software expenses	381,476	340,918
Subscriptions	43,868	40,240
Telephone	49,874	27,104
Waste disposal	92,266	92,745
Workshop expenses	406,748	383,796
	<b>6,486,319</b>	<b>9,890,089</b>

### Note 6. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	1,494	2,260
Bank balances	5,258,216	4,905,559
Short-term deposits	4,500,079	1,410,185
	<b>9,759,789</b>	<b>6,318,004</b>

### Note 7. Inventories

	2023	2022
	\$	\$
Stock on Hand	310,668	358,905
	<b>310,668</b>	<b>358,905</b>

### Note 8. Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	598,272	608,694
Provision for impairment	(70,000)	(73,325)
GST receivable	45,458	60,197
	<b>573,730</b>	<b>595,566</b>



# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Note 9. Financial Assets

	2023	2022
	\$	\$
Investments in exchange traded funds	16,706,219	16,097,108
Term deposits	2,500,000	-
	<u>19,206,219</u>	<u>16,097,108</u>

### Note 10. Property, Plant and Equipment

	2023	2022
	\$	\$
Freehold land		
At fair value	3,590,000	3,590,000
Total land	<u>3,590,000</u>	<u>3,590,000</u>
Buildings		
At fair value	34,498,095	34,498,095
Accumulated depreciation	(2,418,371)	(1,383,024)
Total buildings	<u>32,079,724</u>	<u>33,115,071</u>
Capital works in progress		
At cost	419,061	450,586
Total capital works in progress	<u>419,061</u>	<u>450,586</u>
Plant and equipment		
At cost	9,045,589	8,278,527
Accumulated depreciation	(5,913,003)	(5,690,848)
Total plant and equipment	<u>3,132,586</u>	<u>2,587,679</u>
Motor vehicles		
At cost	234,548	200,588
Accumulated depreciation	(183,491)	(166,624)
Total motor vehicles	<u>51,057</u>	<u>33,964</u>
<b>Total property, plant and equipment</b>	<u><b>39,272,428</b></u>	<u><b>39,777,300</b></u>

The land and buildings of the Entity were valued at 25 June 2020 by an independent valuer (Acumentis Pty Ltd). Revaluation of the land and buildings as at 30 June 2020 was based on fair value in accordance with AASB 13 Fair Value.

Since that date there have been significant additions to land and buildings, and at balance date the fair value adopted is that of a director's valuation.

At 30 June 2023 the Entity reviewed the key assumptions made by the valuers previously. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2023.

Refer to Note 1 for detailed disclosures regarding the fair value measurement of the entity's freehold land and buildings.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Note 10. Property, Plant and Equipment (continued)

Movements in Carrying Amounts

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>						
Balance at the beginning of year	450,586	3,590,000	33,115,071	2,587,679	33,964	39,777,300
Additions	861,068	-	-	120,643	33,960	1,015,671
Transfers	(892,593)	-	-	892,593	-	-
Revaluations	-	-	-	(13,280)	-	(13,280)
Disposals	-	-	-	(8,376)	-	(8,376)
Depreciation expense	-	-	(1,035,347)	(446,673)	(16,867)	(1,498,887)
<b>Balance at the end of the year</b>	<b>419,061</b>	<b>3,590,000</b>	<b>32,079,724</b>	<b>3,132,586</b>	<b>51,057</b>	<b>39,272,428</b>

### Note 11. Other Assets

	2023	2022
	\$	\$
Prepayments	188,517	133,260
Accrued income	597,357	234,028
	<b>785,874</b>	<b>367,288</b>

### Note 12. Trade and Other Payables

	2023	2022
	\$	\$
Trade payables	958,780	1,695,491
Accrued expenses	77,248	121,802
	<b>1,036,028</b>	<b>1,817,292</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Note 13. Other Liabilities

	2023	2022
	\$	\$
RADs and Accommodation Bonds	30,907,796	27,446,052
Resident Trust Account	159,473	214,839
	<b>31,067,269</b>	<b>27,660,891</b>

The above RAD and Accommodation Bonds are repayable to the resident, their family or estate on the departure of the resident from the facility. The Entity does not have an unconditional right to defer settlement beyond 12 months from the date of the residents departure. Accordingly, the refundable contributions are presented as current liabilities.

The likelihood that all of the above RAD and Accommodation Bonds will be repaid within 12 months of balance date is low and the expected timing of the respective repayments are shown below.

	2023	2022
	\$	\$
Estimated repayments within 12 months of balance date	8,448,000	5,686,367
Estimated repayments after 12 months of balance date	22,459,796	21,759,685
	<b>30,907,796</b>	<b>27,446,052</b>

### Note 14. Contract Liabilities

	2023	2022
	\$	\$
Deferred grant income	158,036	927,691
	<b>158,036</b>	<b>927,691</b>

### Note 15. Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor for: - auditing of financial statements	16,000	18,800
	<b>16,000</b>	<b>18,800</b>

### Note 16. Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Lons service leave	954,165	940,683
Bonus provision	89,346	-
Annual leave	1,693,044	1,763,078
	<b>2,736,555</b>	<b>2,703,761</b>
NON-CURRENT		
Long service leave	206,211	193,846
	<b>206,211</b>	<b>193,846</b>



# The Good Shepherd Homes Charitable Trust

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## Notes to the financial statements

For the year ended 30 June 2023

### Note 17. Reserves

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

	2023 \$	2022 \$
<b>Asset revaluation reserve</b>		
Opening balance	18,865,756	18,865,756
Revaluation of land and buildings	-	-
	<u>18,865,756</u>	<u>18,865,756</u>

### Note 18. Financial Risk Management

	2023 \$	2022 \$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	12,259,789	6,318,004
Trade and other receivables	573,729	595,566
Term deposits	2,500,000	-
Fair value through profit or loss (FVTPL)		
Investments in exchange traded funds	16,706,219	16,097,108
	<u>32,039,737</u>	<u>23,010,678</u>
<b>Financial liabilities</b>		
Held at amortised cost		
Trade and other payables	1,036,028	1,817,293
Other financial liabilities	31,067,269	27,660,891
	<u>32,103,297</u>	<u>29,478,184</u>

### Note 19. Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Entity is \$560,116 (2022: \$530,673).

### Note 20. Contingencies

In the opinion of Council members, the Entity did not have any contingent liabilities at 30 June 2023 (30 June 2022: None).

In the opinion of Council members, the Entity did have a contingent asset at 30 June 2023 as follows. The Entity has lodged a Business Interruption Claim with its insurer totaling \$5,302,710 of which it has received \$3,066,252 up to the date of this report. The Entity will continue to pursue collection of the full outstanding claim amount being \$2,236,458 (\$1,000 excess).

## The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

### Notes to the financial statements

For the year ended 30 June 2023

#### Note 21. Related Parties

##### 21a. The Entity's main related parties are as follows:

Key management personnel - refer to Note 19.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

##### 21b. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The Entity received legal services from Conolly Suthers in the amount of \$20,137 during the 2023 financial year. Philip Askin is Chair of Board of Trustees of the Entity (resigned July 2022) and is a Consultant at Conolly Suthers.

The Entity paid \$7,807 to the Anglican Diocese of North Queensland towards the St Matthews Annual Chaplaincy Grant and the cost of a Chaplain. Council member, Reverend Stephanie Patching, is engaged by the Anglican Diocese of North Queensland.

#### Note 22. Events after the end of the Reporting Period

The financial report was authorised for issue on the date the responsible person' declaration was signed by the Council.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Entity, the results of those operations or the state of affairs of the Entity in future financial years.

#### Note 23. Statutory Information

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

The Good Shepherd Homes Charitable Trust  
565 University Road  
Annandale QLD 4814

# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### Note 24. Operating Segments

#### 24a. Segment performance

	Residential Aged Care		Home Care (CHSP)		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Government subsidies	18,400,099	15,858,146	410,847	337,152	18,810,946	16,195,298
Finance income	1,683,649	1,127,193	-	-	1,683,649	1,127,193
Donations and contributions	280,095	25,400	80	-	280,175	25,400
Other income	7,029,819	5,296,685	392	-	7,030,211	5,296,685
Resident charges	6,178,688	5,921,323	42,271	29,406	6,220,959	5,950,729
<b>EXPENSES</b>						
Depreciation expense	(1,489,823)	(1,813,229)	(9,065)	(9,065)	(1,498,888)	(1,822,294)
Insurance and building remediation	(54,592)	(100,247)	(33,844)	(11,138)	(88,436)	(111,385)
Auditors' remuneration	(28,073)	(38,729)	(1,477)	(1,215)	(29,550)	(39,944)
Electricity	(721,835)	(713,239)	(37,991)	(37,539)	(759,827)	(750,778)
Motor vehicle expenses	(35,860)	(21,151)	(11,808)	(13,864)	(47,668)	(35,015)
Building repairs and maintenance	(54,946)	(56,653)	(3,123)	(4,919)	(58,069)	(61,572)
Wages and super (other)	(3,696,293)	(3,324,436)	(46,789)	(172,925)	(3,743,081)	(3,497,361)
Wages and super (care)	(14,014,813)	(13,493,761)	(214,451)	(20,092)	(14,229,265)	(13,513,853)
Wages and super (admin)	(1,987,425)	(1,989,102)	(19,173)	(42,081)	(2,006,598)	(2,031,183)
Employee on costs (excl super)	(1,040,034)	(1,290,665)	(7,859)	(9,753)	(1,047,893)	(1,300,418)
Other operating costs	(5,979,211)	(8,930,388)	(43,538)	(90,206)	(6,022,747)	(9,020,592)
<b>Net profit/(loss) by segment</b>	<b>4,469,445</b>	<b>(3,542,853)</b>	<b>(24,472)</b>	<b>(46,239)</b>	<b>4,493,918</b>	<b>(3,586,092)</b>

#### 24b. Segment assets

	Residential Aged Care		Home Care (CHSP)		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<b>CURRENT</b>						
Cash and cash equivalents	9,759,789	6,318,004	-	-	9,759,789	6,318,004
Trade and other receivables	571,056	595,118	2,673	448	573,729	595,566
Inventories	310,668	358,905	-	-	310,668	358,905
Other assets	785,874	367,288	-	-	785,874	367,288
Financial assets	19,206,219	16,097,108	-	-	19,206,219	16,097,108
<b>NON-CURRENT</b>						
Property, plant and equipment	39,272,428	39,777,300	-	-	39,272,428	39,777,300
<b>Total segment assets</b>	<b>69,906,034</b>	<b>63,513,723</b>	<b>2,673</b>	<b>448</b>	<b>69,908,708</b>	<b>63,514,171</b>



# The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

## Notes to the financial statements

For the year ended 30 June 2023

### 24c. Segment liabilities

	Residential Aged Care		Home Care (CHSP)		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<b>CURRENT</b>						
Trade payables	1,036,028	1,817,293	-	-	1,036,028	1,817,293
Accommodation Bonds and RADs	30,907,797	27,446,052	-	-	30,907,797	27,446,052
Resident trust account	159,472	214,839	-	-	159,472	214,839
Employee benefits	2,724,704	2,695,210	11,851	8,551	2,736,555	2,703,761
Contract liability	158,036	927,691	-	-	158,036	927,691
<b>NON-CURRENT</b>						
Employee benefits	206,211	193,846	-	-	206,211	193,846
<b>Total segment liabilities</b>	<b>35,192,249</b>	<b>33,294,931</b>		<b>8,551</b>	<b>35,204,099</b>	<b>33,303,482</b>

## The Good Shepherd Homes Charitable Trust

ABN: 33 905 968 687

### Responsible persons' declaration


In the Council' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person Alison Robb

Dated 16/10/23

  
16/10/23

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE GOOD SHEPHERD HOMES CHARITABLE TRUST

#### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of The Good Shepherd Homes Charitable Trust (the Trust), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible persons' declaration.

In our opinion the financial report of The Good Shepherd Homes Charitable Trust is in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, including:

- a) Giving a true and fair view of the Trust's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Simplified Disclosures 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Council Members are responsible for the other information. The other information comprises the information included in the Trust's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.

#### Council Members' Responsibilities for the Financial Report

The Council Members of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the Council Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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/Home.aspx>. This description forms part of our auditor's report.



PKF NORTH QUEENSLAND AUDIT



TIM FOLLETT  
PARTNER

TOWNSVILLE  
16 OCTOBER 2023



## **ACKNOWLEDGMENTS & THANK YOU**

The Home continues to be very well supported by both volunteers working actively on site and individuals and organisations in the local community. COVID dramatically impacted the number of volunteers accessing the Home. Through the efforts of our Volunteer Coordinator numbers have gradually returned with the second half of 2023 averaging 60% higher than the first half of the year.

Among a range of services, volunteers assist staff on outings and providing valuable one-to-one support and companionship for Residents.

### **Major donors and sponsors**

- Rotary Club of Townsville
- Valdeter family
- Battery World
- Santalucia family
- Estate of B.M. Keenan
- Estate of J.G. Cox

### **Grants and funding**

- Commonwealth Business Improvement Fund - \$1,500,000
- Electronic National Residential Medication Chart Adoption - \$22,000

### **Members**

- The Right Revd Dr Keith Joseph – Anglican Bishop of North Queensland
- Benefactors of the Good Shepherd Nursing Homes Limited



**Rotary Riverside Pavilion – Donated by the Rotary Club of Townsville**

## HOW YOU CAN HELP

### Volunteer with us

Our active volunteer base is living proof of our robust local community. Whatever your passion or skillset, you can be involved in a range of daily activities that provide support, companionship or exercise.

Taking our residents on scenic buggy rides along Ross River or through the Palmetum, assisting in our fitness classes and cafe, or become a 'memory buddy' to our residents with dementia.

We are always looking for volunteers in the following areas:

- Visitors and companions
- Wheelchair walks along the river
- Activities assistants
- Musicians and choirs
- Art and craft
- Cafe
- Chaplain Assistants
- Enthusiasts of cards, board games jigsaws, mah-jong and chess.

If you're interested in volunteering or wish to find out more about how you can be involved at the Good Shepherd, please contact us.

565 University Road, Annandale, Townsville QLD 4814  
PO Box 212, Aitkenvale QLD 4814  
P: 07 4772 9900 E: [admin@tgsh.org.au](mailto:admin@tgsh.org.au)

### Make a donation

The Good Shepherd Home is a non-profit organisation that has been servicing Townsville and surrounding regions since 1972. The Home's early financing was by way of public appeals, and we continue to use donations to upgrade and expand the facilities available to our residents.

Donations of all sizes are gratefully received and can be expended as per your instructions.

The Home carries a deductible gift status and donations over \$2 are tax deductible.

### Electronic donations can be made directly into The Good Shepherd Home's Gift Fund bank account at:

Bank: Commonwealth Bank of Australia  
Account Name: The Good Shepherd Limited  
BSB: 064-823  
Account: 10543590  
Reference: Donation "Your Last Name"

Please email a copy of your transfer to [fa@tgsh.org.au](mailto:fa@tgsh.org.au) if you would like a receipt.





## CONTACT US

To contact us, please email or phone or come in and visit in person at 565 University Road, Annandale, Townsville QLD 4814.

If you wish to enquire about applying for residency at the Home, the forms to be completed can be found on our web site under "apply for care".

<https://thegoodshepherdhome.com.au/residential-aged-care/>

Phone: 07 4772 9900

Fax: 07 4779 2093

Email: [admin@tgsh.org.au](mailto:admin@tgsh.org.au)

PO Box 212, Aitkenvale QLD 4814.