

Orana Gardens Ltd



Annual report
2020



Mission, Vision and Values Statement

VISION

Orana Gardens is known as a safe place supporting a living and vibrant community of people that enjoy a good life. It is a place where "home" can be found and celebrated.

MISSION STATEMENT

To respect and value all people.

STATEMENT OF VALUES

Connected: We are a community of people living and working together.

Committed: We are passionate about delivering quality services. We value all stakeholders and relate to them with integrity and openness and are responsive to their needs.

Innovation: We continually move from the established ordinary to a new extraordinary in all that we do. We do this by harnessing the fresh and innovative ideas of our people.

Integrity: We do the right thing, even when no one is looking. This means we choose to be accountable and take ownership of our choices, actions and decisions.

Facilities

Orana Gardens

Corner of Windsor Parade and Coronation Drive
DUBBO NSW 2830

125 place aged care facility including:
35 bed dementia specific unit
Respite available

Orana Gardens Estate

Windsor Parade, Royal Parade, Charles Crescent and
Coronation Drive

DUBBO NSW 2830

148 independent living units including:

140 x 2 bedroom units

8 x 1 bedroom units

Bellhaven

Warruga Place
WELLINGTON NSW 2820
46 bed facility

Orana Gardens Country Club

Corner of Charles Crescent and Coronation
Drive

DUBBO NSW 2830

Fully equipped recreational centre for
residents

including:

- Indoor heated swimming pool and
- Snooker table
- Dance floor
- Commercial Kitchen & Function Centre

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Chairman's Report

I have much pleasure in presenting my report for 2020, an unprecedented year for most of the world as a consequence of the global outbreak of Covid 19 virus. For Orana Gardens it was another year of significant change. I am pleased to say due to the adoption of very strict policies in relation to Covid 19, we managed to keep all our residents and staff safe. The NSW Health guidelines were helpful as they applied to Aged Care facilities and guided changes to our policies as circumstances around the region and Australia altered. On behalf of our Board, I would like to thank all of our staff and residents and their families for their cooperation and understanding during what was a difficult time for all.

Orana Gardens began just over 30 years ago as an initiative of Dubbo RSL. It was built in stages and now fully occupies the land owned by the organisation. The organisation is owned and operated by a Community Board with relevant business and professional qualifications and experience. We are a Not-for-Profit Company and as such aim to achieve sufficient cash surpluses to enable the facilities to be adequately maintained, renovated, refurbished and modernised as units and rooms are vacated. The facilities are conveniently located across the road from Orana Shopping Mall and Dubbo's Japanese Gardens and medical services. The cost of acquiring one of our Independent Units or entering our aged care facility is very competitive and attractive compared to other aged care services in and around Dubbo.

During the year we saw a number of changes in our Board membership. Mrs Ruth O'Brien, a Board Member for the last seven years, retired in October. The Board thanked her for her contribution over those years and wished her well in her retirement. In November 2020 we welcomed a new Board Member, Mr Geoffrey Ballard who brings extensive business experience which will be greatly valued by the Board.

Within the Executive we had some further changes which saw us reengage Ms Kristine Saywaker to come out of retirement to be our Acting CEO while recruitment was undertaken for a new CEO. The Board looks forward to working with a new CEO in 2021. During the year we received the resignation of our Chief Financial Officer, Mr Roy Soaika, who had served us as our CFO for some three years. Roy left Dubbo to return to the NSW Coast. Mrs Rebecca McDonald resigned after 20 years as our Orana Gardens Lodge Facility Manager and Human Resources Manager. We wish both our former senior staff well in their new roles and thank them for their service to us. The people who have taken up the vacated roles are: Mr Andrew McKay, CFO, and Mrs Jessica D'Arcy, Director of Care. All the new appointees have settled in well and are bringing fresh perspectives.

In 2020 there was considerable emphasis and focus placed on meeting the eight Aged Care Quality Standards to ensure the reaccreditation of Orana Gardens Lodge. The current Accreditation was due to expire in September 2020 but due to the impact of Covid and restricted travel, an extension was granted by the Aged Care Quality and Safety Commission until March 2021.

Chairman's Report Continued

2020 has certainly been a different sort of year including imposing additional operational costs related to COVID 19. The Australian Government provided additional funding to offset the extra costs of managing the protection of our residents against Covid 19. We did not admit any new residents to the aged care facility during a period of lockdown, a decision we made to protect our residents and staff. Despite the challenges I am pleased to report Orana Gardens did achieve a cash positive result again this year.

Our Wellington facility known as Bellhaven continues to be vacant as we have strived to find an alternative use for the property. The Board sees the sale or lease of this property as a priority for 2021 and continue to liaise with our Federal and State Members as well as Dubbo Regional Council to bring about a worthwhile outcome.

It has been a real privilege to be the Chairman of Orana Gardens as we endeavour to provide a high standard of care for all our customers in our aged care facilities. My thanks go to all our staff and to my fellow Board Members for their contributions and commitment to Orana Gardens. I am confident 2021 and the years ahead, will see Orana Gardens continue to flourish and be an aged care provider of choice in the community.

Regards

Bruce Henderson
Board Chairman

Board of Directors

CHAIRMAN



Mr Bruce Henderson

Director since 2014
Occupation: Financial Advisor
Chairman since April 2015
ASSIST. TREASURER

VICE CHAIRMAN



Dr David E B Schuster

Director Since 2005
Occupation: Grazier
DIRECTOR

TREASURER



Mr Doug Butcherine

Director since 2013
Occupation: Retired
DIRECTOR



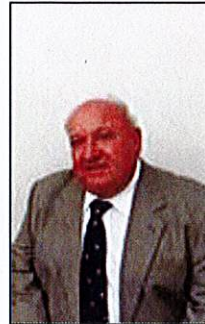
Mr Geoffrey Ballard

Director Since 2020
Occupation: Entrepreneur
DIRECTOR



Mr Bill Greenwood

Director Since 2010
Occupation: Retired
DIRECTOR



Mr John Dixon

Director since 2015
Occupation: Retired
DIRECTOR

Chief Executive Officer's Report

The COVID 19 virus has been at the forefront of everyone's thoughts and actions for just over a year. We as a nation and a community have faced unprecedented challenges and none more so than in aged care services. The disruption experienced by residents and their families has been unrelenting. The residents and staff of Orana Gardens Lodge and Orana Gardens Estate have shown remarkable resilience over the past year as we moved to manage and mitigate the risk posed by the virus.

In January 2020 management of Orana Gardens Ltd formed two committees:

The COVID 19 Management Committee and the COVID 19 Outbreak Management Committee.

The COVID 19 Management Committee met daily to establish effective communication strategies so we could keep residents, families and staff up to date on what was happening at the home and the retirement village.

The focus of our meetings was to detect and moderate the risk the virus posed and the impact on people and services in the event of an outbreak.

We formulated action plans to obtain and maintain supplies and external services. We undertook an extensive and ongoing staff education and training program in infection control principles and practices.

In late March 2020 we placed the aged care service in lockdown as the first confirmed case of COVID 19 was identified in Dubbo. All of the people involved with our services were cooperative and helpful and have remained supportive throughout the ongoing pandemic.

The COVID 19 Management Committee is still in place and meets regularly to ensure new information about COVID 19 is disseminated to all our stakeholders on an ongoing basis. I would like to thank all the staff who took part in the Committees for their participation and contribution to a highly effective and successful team. Registered nurses, care staff and support services personnel do a outstanding job every day and continue to keep residents, their families and each other safe.

The COVID 19 Outbreak Management Committee was and still is responsible for a series of plans and actions to be taken in the event of an outbreak of the COVID 19 virus in the home.

The Board continued to play an active role in governance and support throughout this challenging year.

I would like to express my appreciation to Board for their ongoing support and assistance throughout 2020. I would also like to thank Mrs Rebecca McDonald Facility Manager at Orana Gardens for her commitment and dedication to the organisation. Rebecca retired from her role in July 2020 and we welcomed Jessica D'Arcy as the Director of Care in July 2020.

Thank you to Caroline May as our Customer Liaison Coordinator who has worked tirelessly to assist and support residents, families and staff throughout the year.

Chief Executive Officer's Report Continued

Mrs Sue Trudgett has had another good year managing the Estate while overseeing customer service, refurbishments and changes. Sue's experience in the sector continues to assist the organisation to remain commercially competitive and relevant to the needs of the local and regional community.

I would also like to welcome Andrew McKay to the role of Chief Financial Officer and to thank Roy Soaika for his past contribution.

Regards

Kristine Saywaker
Chief Executive Officer

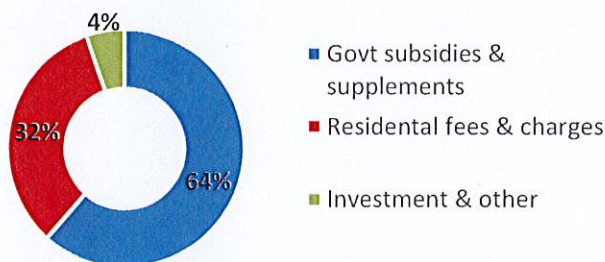
Chief Financial Officer's Report

Orana Gardens Ltd, like most other businesses, had a challenging year dominated by the threat of a Covid-19 outbreak. The residential aged care facility went into lockdown in March and April 2020 resulting in no admissions for 8 weeks. This reduced our occupancy, which is critical to the revenue of Orana Gardens.

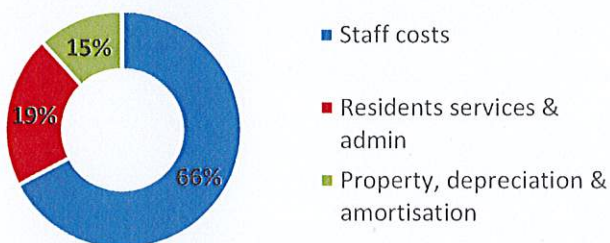
Orana Gardens recorded a small operating surplus of \$11,752 and total comprehensive income of \$43,252. This small profit was obtained, mainly due to the grants of \$425,213 supplied by the Federal Government to assist Aged Care facilities through COVID-19. The Aged Care Facility recorded an operating deficit of \$263,492 and the Estate (Retirement Village) recorded an operating surplus of \$275,237 and total comprehensive income of \$306,737. Orana Gardens Aged Care Facility's result was below the budgeted surplus of \$59,175. Last year's deficit in the Aged Care facility was \$199,976. Main contributing factor to the 2020 result was the increase in operating costs due to the threat of Covid-19 and the ongoing costs associated with the new aged care standards which came to effect on 1st July 2019. This includes additional management staff, consultation costs and investment in systems and technology.

Below is our financial snapshot for the year 2020:

Where our funding came from: Revenue \$13.62M

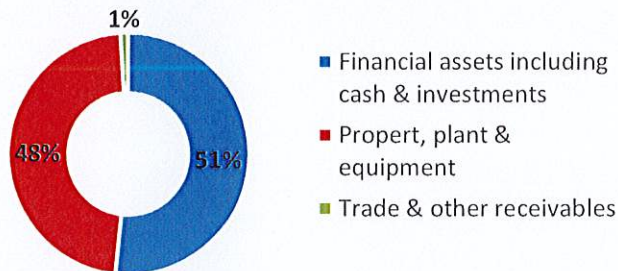


What we spent: Expenses \$13.01M



Chief Financial Officer's Report continued

Our assets \$45.8M



Our liabilities \$27.9M



The organisation spent over \$1.3m in 2016, \$1.1m in 2017, \$1.6m in 2018, \$1.9m in 2019, \$1.0m in 2020 with a further 1.0m planned for 2021 on various capital projects, equipment and refurbishments. Included in these completed capital projects are two backup generators located near the Care Facility to ensure there is no interruptions if a black out occurs. Ongoing full internal quality refurbishments of all vacated independent living units continues to receive priority attention ensuring we stay in step with the times and continue to maintain the market attractiveness of Orana Gardens Estate.

The dedication of Assistant Accountant, Phillip Wheeler and Payroll Officer, Jody Blyton was crucial to the running of the Finance team and I thank them both.

We remain committed to the welfare and happiness of every resident and appreciate the dedication of the directors who remain committed to providing excellent service and facilities at Orana Gardens Ltd.

Regards,

Andrew McKay

Orana Gardens Estate Manager's Report

Orana Gardens Estate has 148 independent living units (140 two bedroom units and eight one bedroom units). In 2020, 186 residents were in occupancy, 12 units were sold and we welcomed 13 new residents. The Organisation continues to have a healthy waitlist for entry to Orana Gardens Estate and we continue to get regular enquiries from prospective residents interested in moving to the Estate.

All units sold in 2020 had major refurbishments completed. New white goods, light fittings and smoke detectors were installed to these units. The bathrooms, laundries and kitchens were renovated as part of these refurbishments. Ongoing repairs, replacement of white goods and upgrades to occupied units continued throughout 2020.

The Residents Forum Meeting and Annual General Meeting on 10th February 2020 were the last meetings held in the Country Club. All meetings for the rest of 2020 were cancelled due to COVID 19 restrictions placed on the Operators and Residents of Retirement Villages by NSW Health and NSW Fair Trading

All activities, functions, exercise classes, bus trips and Church services were cancelled to comply with the COVID 19 restrictions and to ensure the Organisation's staff and residents were safe from exposure to the virus.

Residents were informed that NSW Health and NSW Fair Trading, "information to residents and Operators of Retirement Villages", to keep them informed of COVID 19 restrictions and regular updates. These documents were made available for collection by residents at the entry points to the country club and roundhouse.

The communal areas, country club hall, swimming pool/spa and the roundhouse were closed to the residents from March until November 2020. Activities, functions and the opening of the pool/spa were gradually reintroduced in late November 2020. Compliance with social distancing rules, sanitising on entry and exit to the facilities, sign in and temperatures noted had to be followed to ensure we were compliant with the NSW Health requirements.

During the COVID 19 compliance requirements, regular contact was made with the residents in the Estate to check on their health and wellbeing to ensure they were managing their lives and coping with difficult times we were all faced with.

The kitchen staff were able to provide our regular lunchtime residents with a midday meal during the restrictions and the hall was set up to be compliant with NSW Health restrictions. Other residents took the opportunity to collect their midday meal from the Country Club.

Orana Gardens Estate Manager's Report Continued

Thank you to the 2020 Orana Gardens Estate Executive Committee. Mrs Elaine Drummond (Chairperson), Mr Col Selwood (Secretary) and Mrs Margaret Carolan (Treasurer). Management looks forward to working with your newly elected Committee in 2021.

In 2020 the Organisation experienced a number of changes to staff and management. Welcome to all new staff who have joined the Organisation during 2020.

The Estate lost a long-term maintenance team member, Mr Troy Driver. This was a sad time for Orana Gardens staff and residents. Condolences go to Troy's family and long-term staff members who were a part of his team.

Regardless of all the ups and down experienced throughout 2020 Orana Gardens Estate residents and staff have managed directives placed on their lives during the COVID 19 restrictions very well.

I would like to thank our maintenance team for attending to repairs and maintenance requests in the Estate units and the gardening team for the upkeep of the grounds and gardens throughout the Estate.

Thank you to all staff, management team and residents for their continued support and co-operation during 2020.

Regards

Sue Trudgett

Orana Gardens Facility Manager's Report

Orana Gardens provides residential aged care and respite services to 125 people. The home has 50 places in John Whittle House, 40 places in the Lodge and 35 places in the Special Care Unit.

After commencing the role as Director of Care at Orana Gardens in July 2020, I am grateful for the continued support and commitment from the Board of Directors, Management, and the staff at Orana Gardens.

Through a dedicated team we continually encourage, support, and promote optimum levels of care aligned with the National Quality Aged Care Standards in order to provide a safe, comfortable environment for all residents and families at Orana Gardens.

Orana Gardens is still waiting for a re-accreditation visit from the Aged Care Quality and Safety Commission (ACQSC). In August 2020 ACQSC performed an onsite audit in relation to COVID-19; the feedback following the visit was positive. Ongoing staff education and training continues to be a priority for the new standards, COVID-19 and many other areas of care and service delivery.

With the tools and foundations set out by previous management and the implementation of iCare and Complispace, we continue to enhance our electronic systems and applications.

COVID-19 has been primarily the focus since I commenced my role. We continue to support our residents, families, staff, and the Orana Gardens Community to navigate through such an unforeseen time.

Our staff from all designations remain dedicated to providing excellent care to our residents. Change is always challenging and with the implementation of new systems in 2020 staff have demonstrated their ability to adapt and grow. My sincere thanks go to all staff at the home for their continued dedication.

Our Recreational Activities Officers continue to create wonderful programs for residents to enjoy as well as offering a personalised individual service to residents. Hopefully, in 2021 we can welcome back some of our much-appreciated volunteers and local community services and continue to offer a variety of activities to our residents

Our Support Services Team have provided quality hospitality services throughout the year and I would like to thank them for their commitment and effort. Cherie Higgs Support Service Manager, our dietitian and chefs have been working on developing a new menu based on resident's choices and preferences. It is expected the new menu will commence in early 2021.

Ongoing improvements around the home continue to create a homely environment for the residents and the community of Orana Gardens to enjoy. Our dedicated maintenance team and gardeners do a wonderful job around the home, thank you all.

Thank you to our allied health services, general practitioners, palliative care colleagues and our local pharmacies for their ongoing support and assistance in 2020.,

I look forward to seeing the growth, developments, and opportunities that Orana Gardens has to offer over the next year.

Once again, I would like to take this opportunity to thank all the Orana Gardens Team for their hard work and continued dedication. Thank you to the residents, families, community for supporting our facility. And a big thank you to The Board of Directors, Ms Kristine Saywaker CEO, and the Management team for their going support and contributions to making Orana Gardens a wonderful place to work. Jessica D'Arcy.

Customer Liaison Coordinator's Report

As I reflect on 2020, two words come to mind: change and resilience. In a year marked by chaos and confusion, we learned to value the 'small moments,' more than ever before and realised those moments were really all that mattered. We made it through all the challenges and succeeded in keeping our residents safe and connected to their loved ones.

I assisted approximately thirty new residents and their families sharing the COVID-19 preventative measures management set to ensure their ongoing safety. I also attended all the COVID-19 meetings held by management and uploaded the Facility Entry/Exit Protocol, onto our website as well as our Facebook page. Our Facebook posts allowed families and friends near and far to enjoy photos and videos of residents celebrating holidays, learning about other cultures, and celebrating life together.

Our TV commercials progressed well and continue to air on three stations: Prime 7 Orange, 7 Mate Orange and 7 Two Orange. Our bus advertising added to our community presence and compliments from families and professionals were very positive. Many people stated seeing our ad is a great reminder of how long Orana Gardens has been an integral part of the local community.

In 2020, the Daily Liberal published a total of eight stories from residents of the residential aged care facility and from our Estate residents in a series called 'Meet the Residents.' The senior editor said she had numerous comments from the general public about the inspirational stories shared by residents.

Care Recipients Feedback and Privacy and Dignity surveys are well established and have been completed monthly for two years. The surveys give every resident or primary contact person the opportunity to regularly share comments and concerns with management. Issues raised are addressed immediately or within 24 hours. Although networking meetings were minimised due to the pandemic, I was able to hold individual meetings and distribute our respite and permanent care promotional packets to health professionals in the community; including GP practices, home care companies, and hospitals. The meetings aimed to inform and respond to questions and maintain community relations in the sector.

In 2020, Orana Gardens was very fortunate to form a partnership with Marathon Health via the PS-REACH: Psychological Services in Aged Care. The program is funded by the Western NSW Primary Health Network and calls for a collaborative approach between aged care facilities and mental health professionals to address the mental health needs of people living in residential aged care facilities. Some of our residents stated they benefited from the program.

I would like to thank Kristine Saywaker and the Board of Directors for their ongoing support and encouragement. I would also like to thank the management team, staff and the Dubbo community for their ongoing support. I wish you and your families good health and a happy 2021.

Kind Regards,

Caroline May

Customer Liaison Coordinator

Year ended 31 December 2020

Financial Statements including Audit Report

ORANA GARDENS LTD
ABN: 98 081 776 687

Orana Gardens Ltd

ABN: 98 081 776 687

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Orana Gardens Ltd

ABN: 98 081 776 687

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Orana Gardens Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of 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
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CROWE AUDIT AUSTRALIA

Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 1st day of April 2021

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Orana Gardens Ltd

ABN: 98 081 776 687

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	13,153,341	12,363,814
Other income	4	474,507	682,960
Total revenue and other income		13,627,848	13,046,774
Capital gains paid to residents		(31,500)	(140,010)
Cleaning		(126,511)	(104,698)
Consultancy fees		(71,565)	(168,491)
Depreciation and amortisation expense	5	(1,212,676)	(1,111,660)
Electricity and gas		(198,308)	(200,920)
IT expenses		(283,818)	(254,799)
Provisions for residents		(625,291)	(630,835)
Rates and charges		(146,780)	(200,620)
Repairs and maintenance		(443,597)	(429,496)
Residents care and aids		(821,194)	(506,095)
Workers compensation insurance		(157,028)	(138,892)
Employee benefits expense		(8,829,899)	(8,442,966)
Other expenses		(667,929)	(678,553)
Total expenses		(13,616,096)	(13,008,035)
Surplus for the year		11,752	38,739
Movement in liability to pay 50% of estate capital growth to existing residents		31,500	140,010
Other comprehensive income for the year, net of tax		31,500	140,010
Total comprehensive income for the year		43,252	178,749

The accompanying notes form part of these financial statements.

Orana Gardens Ltd

ABN: 98 081 776 687

Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	9,731,273	3,022,496
Trade and other receivables	7	323,741	344,081
Other financial assets	8	13,047,167	20,622,167
Other assets	9	144,158	143,149
Non-current assets held for sale	10	650,000	650,000
TOTAL CURRENT ASSETS		23,896,339	24,781,893
NON-CURRENT ASSETS			
Property, plant and equipment	11	21,717,983	22,057,103
Intangible assets	12	187,941	143,190
TOTAL NON-CURRENT ASSETS		21,905,924	22,200,293
TOTAL ASSETS		45,802,263	46,982,186
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	610,690	504,127
Payables to residents	14	25,663,017	26,900,599
Other liabilities	15	664,742	642,624
Employee benefits	16	952,507	984,334
TOTAL CURRENT LIABILITIES		27,790,956	29,031,684
NON-CURRENT LIABILITIES			
Employee benefits	16	133,365	115,812
TOTAL NON-CURRENT LIABILITIES		133,365	115,812
TOTAL LIABILITIES		27,924,321	29,147,496
NET ASSETS		17,877,942	17,834,690
EQUITY			
Reserves		3,928,482	3,896,982
Retained earnings		13,949,460	13,937,708
TOTAL EQUITY		17,877,942	17,834,690

The accompanying notes form part of these financial statements.

Orana Gardens Ltd

ABN: 98 081 776 687

Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Future capital gains reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2020	13,937,708	4,923,325	(1,026,343)	17,834,690
Surplus attributable to members of the entity	11,752	-	-	11,752
Total other comprehensive income for the period	-	-	31,500	31,500
Balance at 31 December 2020	13,949,460	4,923,325	(994,843)	17,877,942

2019

	Retained Earnings	Asset Revaluation Surplus	Future capital gains reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2019	13,898,970	4,923,325	(1,166,353)	17,655,942
Surplus attributable to members of the entity	38,739	-	-	38,739
Total other comprehensive income for the period	-	-	140,010	140,010
Balance at 31 December 2019	13,937,708	4,923,325	(1,026,343)	17,834,690

The accompanying notes form part of these financial statements.

Orana Gardens Ltd

ABN: 98 081 776 687

Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government subsidies and residents	13,139,899	12,781,817
Payments to suppliers and employees	(12,312,140)	(12,698,816)
Interest received	528,436	525,130
Net cash provided by/(used in) operating activities	22 <u>1,356,195</u>	<u>608,131</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	92,043
Proceeds from/ (payment) investments in term deposits	7,000,000	(2,884,987)
Proceeds from sale of intangible assets	-	3,363,750
Proceeds from disposal of subsidiary	53,537	-
Purchase of property, plant and equipment	11(a) <u>(969,873)</u>	<u>(1,549,557)</u>
Net cash provided by/(used in) investing activities	<u>6,083,664</u>	<u>(978,751)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of residential bonds	5,165,445	-
Proceeds from residential bonds	<u>(5,896,527)</u>	<u>1,053,035</u>
Net cash provided by/(used in) financing activities	<u>(731,082)</u>	<u>1,053,035</u>
Net increase/(decrease) in cash and cash equivalents held	6,708,777	682,415
Cash and cash equivalents at beginning of year	<u>3,022,496</u>	<u>2,340,081</u>
Cash and cash equivalents at end of financial year	6 <u>9,731,273</u>	<u>3,022,496</u>

The accompanying notes form part of these financial statements.

Orana Gardens Ltd

ABN: 98 081 776 687

Notes to the Financial Statements

For the Year Ended 31 December 2020

The financial report covers Orana Gardens Ltd as an individual entity. Orana Gardens Ltd is a not-for-profit company, limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of Orana Gardens Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 25 March 2021.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

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

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies continued

(b) Revenue recognition continued

Grant revenue

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations

Donations are recognised at the time the pledge is made.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Interest revenue

Interest revenue is 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.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

(c) 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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies continued

(d) 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 nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land is measured using the revaluation model. Buildings and improvements are measured using the cost 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 assets useful life to the company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings and improvements	2.5% - 10%
Plant and Equipment	10% - 33%

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.

(e) Non-current assets held for sale

Non-current assets and assets of disposal groups 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 or assets of disposal groups 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 and assets of disposal groups 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 assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies continued

(e) Non-current assets held for sale continued

disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(f) Financial assets

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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.

(g) 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 and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies continued

(h) Employee benefits continued

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

3 Critical Accounting Estimates and Judgements

The directors 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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 31 October 2018. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Orana Gardens Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2020

4 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers		
- Government care subsidies	8,409,650	8,018,182
- Residential care fees	3,089,077	2,697,563
- Estate maintenance fees	755,809	746,689
- Estate long term maintenance levies	515,791	544,912
- Estate retained entry contributions	310,167	296,700
- Sale of meals	19,851	36,631
- Miscellaneous revenue	52,996	23,137
Total revenue	13,153,341	12,363,814
Revenue from other sources		
- Interest received	469,536	653,394
- Rent received	3,000	20,142
- Net gain on disposal of property, plant and equipment	1,972	9,424
Total other revenue	474,508	682,960
Total Revenue	13,627,849	13,046,774

5 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
- Depreciation and amortisation expenses	11(a) 1,212,676	1,110,618
- Bad and doubtful debts expense	-	1,042

6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	1,890	1,000
Cash at bank	9,729,383	3,021,496
Total cash and cash equivalents	9,731,273	3,022,496

Orana Gardens Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2020

7 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	24,550	28,719
Less: Allowance for expected credit losses	(13,774)	(13,774)
	<u>10,776</u>	<u>14,945</u>
GST receivable	56,694	18,290
Sundry debtors	9,928	5,604
Accrued interest	246,343	305,242
Total current trade and other receivables	<u>323,741</u>	<u>344,081</u>

8 Financial Assets at fair value through profit and loss

	2020	2019
	\$	\$
CURRENT		
Term deposits	<u>13,047,167</u>	<u>20,622,167</u>
Total financial assets	<u>13,047,167</u>	<u>20,622,167</u>

9 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	<u>144,158</u>	<u>143,149</u>
Total other assets	<u>144,158</u>	<u>143,149</u>

10 Non-current Assets classified as held for sale

	2020	2019
	\$	\$
Land and buildings - 10 Warruga Place, Wellington	<u>650,000</u>	<u>650,000</u>
Total non-current assets held for sale	<u>650,000</u>	<u>650,000</u>

Assets held for sale consist of the Bellhaven property at 10 Warruga Place, Wellington that has been recorded at fair value less costs to sell. An independent valuation was completed by Herron Todd White on 19 September 2018. Board has reassessed the status of the assets held for sale and decided that it remains as an asset held for sale at 31 December 2020.

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Notes to the Financial Statements For the Year Ended 31 December 2020

11 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At valuation	6,511,000	6,511,000
Total Land	<u>6,511,000</u>	<u>6,511,000</u>
Buildings		
Buildings and improvements	24,545,919	24,186,921
Accumulated depreciation	(12,056,020)	(11,366,748)
Total buildings	<u>12,489,899</u>	<u>12,820,173</u>
Work in progress	41,675	12,521
Total buildings	<u>12,531,574</u>	<u>12,832,694</u>
Total land and buildings	<u>19,042,574</u>	<u>19,343,694</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	4,906,719	4,462,455
Accumulated depreciation	(2,231,310)	(1,749,046)
Total plant and equipment	<u>2,675,409</u>	<u>2,713,409</u>
Total property, plant and equipment	<u>21,717,983</u>	<u>22,057,103</u>

Orana Gardens Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2020

11 Property, plant and equipment continued

(a) 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 and improvements	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2020					
Balance at the beginning of year	12,521	6,511,000	12,820,173	2,713,410	22,057,104
Additions	29,154	-	358,998	509,743	897,895
Disposals	-	-	-	(51,565)	(51,565)
Depreciation expense	-	-	(689,272)	(496,179)	(1,185,451)
Balance at the end of the year	41,675	6,511,000	12,489,899	2,675,409	21,717,983

Orana Gardens Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2020

12 Intangible Assets

	2020	2019
	\$	\$
Software and licenses		
At cost	228,717	156,741
Accumulated amortisation and impairment	(40,776)	(13,551)
Total intangible assets	187,941	143,190

13 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	307,579	236,642
Accrued expense	172,870	76,284
Estate surplus*	63,011	44,291
Other payables	67,230	146,910
Total trade and other payables	610,690	504,127

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.

* In accordance with Div 7, Part 7 of the Retirement Villages Act 1999, any surplus in the annual accounts of the Estate is to be carried forward and spent on capital maintenance in the next financial year.

14 Payables to residents

	2020	2019
	\$	\$
CURRENT		
Estate resident loans	16,732,696	16,603,426
Provision for capital growth in estate units	993,213	1,026,343
Refundable accommodation deposits and bonds	7,837,108	9,270,830
Total payables to residents	25,563,017	26,900,599

Whilst resident loans and deposits are classified as current under accounting standards as they may be called upon at any time, they are not likely to be paid out within the next 12 months.

Orana Gardens Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2020

15 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Subsidy income received in advance	652,902	642,624
Amounts received in advance	11,840	-
Total other liabilities	664,742	642,624

16 Employee benefits

	2020	2019
	\$	\$
CURRENT		
Provision for employee benefits	952,507	984,334
NON-CURRENT		
Provision for employee benefits	133,365	115,812
Total employee benefits	1,085,872	1,100,146

17 Reserves

(a) Asset revaluation reserve

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

(b) Future capital gains reserve

The future capital gains reserve records future capital gains payable to applicable estate residents upon exiting the Estate.

18 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the company. At 31 December 2020 the number of members was 8 (2019: 8).

19 Key Management Personnel Remuneration

The total of remuneration paid to the key management personnel of Orana Gardens Ltd during the year are as follows:

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any directors of the company.

The total remuneration paid to key management personnel of the company is \$ 507,773 (2019: \$ 369,028).

Orana Gardens Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2020

20 Contingencies

In the opinion of the Directors, the company did not have any contingencies at 31 December 2020 (31 December 2019:None).

21 Related Parties

The company's related parties include key management personnel and other related parties including 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.

Key management personnel - refer to Note 19.

22 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Surplus for the year	11,752	38,739
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation, impairments and amortisation	1,212,676	1,110,618
- net gain on disposal of property, plant and equipment	(1,972)	(9,424)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(38,560)	20,644
- (increase)/decrease in prepayments	(1,010)	(10,245)
- (increase)/decrease in accrued income	58,900	(128,264)
- increase/(decrease) in income in advance	22,118	(34,630)
- increase/(decrease) in trade and other payables	9,977	(336,199)
- (increase)/decrease in accrued expenses	96,587	3,966
- increase/(decrease) in employee benefits	(14,273)	(47,074)
Cashflows from operations	<u>1,356,195</u>	<u>608,131</u>

Orana Gardens Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2020

23 Operating Segments

Segment information

(a) Identification of reportable segments

The company under the *Aged Care Act 1997 and Accountability Principles 2014* is required to treat residential care as a reportable segment and prepare a segment report in accordance with Australian Accounting Standards that sets out the revenue, expenses, assets and liabilities of the residential care service. The company's other segment for management reporting purposes is the Orana Gardens Estate.

(b) Accounting policies adopted

Unless stated below, all amounts reported to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of Orana Gardens Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2020

23 Operating Segments continued

(c) Segment performance

	Residential Aged Care		Retirement Village		Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
REVENUE						
Government care subsidies	8,760,721	7,801,091	-	-	8,760,721	7,801,091
Residential care fees	2,738,007	2,914,653	-	-	2,738,007	2,914,653
Village maintenance fees	-	-	755,809	746,689	755,809	746,689
Long term maintenance levy	-	-	515,791	544,912	515,791	544,912
Retained entry contributions	-	-	310,167	296,700	310,167	296,700
Sale of meals	10,087	19,827	9,764	-	19,851	19,827
Miscellaneous revenue	10,269	7,457	37,956	13,075	48,225	20,532
Interest received	156,838	225,912	312,698	427,270	469,536	653,182
Gain on disposal of assets	1,972	9,424	-	-	1,972	9,424
Rental income	-	-	7,770	21,477	7,770	21,477
Total segment revenue	11,677,894	10,978,364	1,949,955	2,050,123	13,627,849	13,028,487
Capital gains paid to residents	-	-	(31,500)	(140,010)	(31,500)	(140,010)
Consultancy	(70,877)	(106,697)	(687)	(1,771)	(71,564)	(108,468)
Employee benefits expense	(7,595,987)	(7,034,181)	(477,888)	(487,952)	(8,073,875)	(7,522,133)
Depreciation and impairments	(602,133)	(480,562)	(610,543)	(488,952)	(1,212,676)	(969,514)
Electricity and gas	(175,211)	(168,948)	(23,096)	(10,040)	(198,307)	(178,988)
IT expenses	(277,568)	(94,733)	(6,250)	(3,146)	(283,818)	(97,879)
Provisions for residents	(621,476)	(610,798)	(3,815)	-	(625,291)	(610,798)
Rates and charges	(59,301)	(89,555)	(87,479)	(87,176)	(146,780)	(176,731)
Repairs and maintenance	(441,909)	(327,676)	(187,329)	(50,468)	(629,238)	(378,144)
Residential care and aids	(820,511)	(504,955)	(683)	-	(821,194)	(504,955)
Workers' compensation insurance	(149,196)	(115,523)	(7,825)	(7,795)	(157,021)	(123,318)
Other expenses	(1,127,217)	(1,644,711)	(237,616)	(534,435)	(1,364,833)	(2,179,146)
Total segment expenses	(11,941,385)	(11,178,341)	(1,674,718)	(1,811,409)	(13,616,097)	(12,989,750)
Segment operating surplus/(deficit)	(263,492)	(199,976)	275,237	238,715	11,752	38,739
Segment assets	17,509,155	18,020,884	27,640,306	28,460,993	45,149,461	46,481,877
Segment liabilities	9,063,254	10,437,824	9,432,041	18,066,174	18,495,295	28,503,998

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Notes to the Financial Statements

For the Year Ended 31 December 2020

24 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 March 2021 by the Board of Directors.

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

25 Statutory Information

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

Orana Gardens Ltd

81 Windsor Parade

DUBBO NSW 2830

Orana Gardens Ltd

ABN: 98 081 776 687

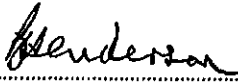
Responsible Persons' Declaration

In the opinion of the directors of Orana Gardens Ltd:

- (a) The financial statements and notes that are set out on pages 6 to 21 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012*, including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profit Commission Act 2012*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Director



Dated

1st April 2021,

Independent Auditor's Report

To the Members of Orana Gardens Ltd

Opinion

We have audited the financial report of Orana Gardens Ltd, which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities declaration.

In our opinion, the accompanying financial report of Orana Gardens Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) Giving a true and fair view of the registered entity's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards 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 the registered entity 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

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2020 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 accordingly we do not express any form of assurance conclusion thereon.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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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 Directors for the Financial Report

The directors are 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*, and for such internal control as the directors determine 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, the directors are responsible for assessing the registered entity'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 the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

- Conclude on the appropriateness of the registered entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Audit Australia

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Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 1st day of April 2021