



SUNDALE

Annual Report

2024



Sundale is focused on building a collaborative and accountable culture which is aligned to a new vision, to be every seniors' accommodation choice and home care living solutions provider in the local community.

To make this vision a reality, we're introducing a new operating model, which has been designed to provide seamless and holistic care. The integrated approach across Care Communities, Retirement Villages and In-Home Care will ensure our residents receive the best possible care they deserve at every stage of their care journey.

VISION

To be the most respected seniors' accommodation choice and integrated living solutions provider in the local community.

MISSION

At Sundale, our mission is to enrich the lives of seniors by providing exceptional holistic care. We strive to create vibrant and welcoming communities that offer a continuum of care, ensuring that each resident can live their best life every day. Through a commitment to compassion, innovation, and excellence, we prioritise our residents' well-being, comfort and independence. We aim to foster a culture of respect, collaboration, and accountability, empowering our team to deliver the highest standards of service. Our dedication to sustainability and ethical practices drives us to reinvest in our communities, ensuring a lasting legacy for future generations.

PURPOSE

- PURPOSE**
To enable seniors to live their best life everyday through meaningful experiences and connections.
- PEOPLE**
One Sundale. Better together.
- PROCESS**
We strive to be the best and always improve.
- PROPERTY**
Creating beautiful living communities.
- PROFIT**
To enable re-investment into the business.

The Board and Executive Leadership Team are committed to maintaining financial stability through disciplined cost management and innovative revenue generation. Our focus on In-Home Care services and property repurposing will drive future growth and enhance our service offerings.

VALUES

- CARE**
Care about people always.
- CREATE**
Create a warm and welcoming environment.
- CURIOSITY**
Curiosity to always strive to be better.
- COMMUNITY**
Maintain connection with community.
- CHOICES**
Make choices for the greater good.
- SAFETY**
Health, safety and wellbeing first.

Engaging with the local stakeholders will continue to be a priority at Sundale as we build a bright future for our residents and the broader community.

IN THE SPIRIT OF RECONCILIATION, SUNDAL E ACKNOWLEDGES THE TRADITIONAL CUSTODIANS OF COUNTRY THROUGHOUT AUSTRALIA AND THEIR CONNECTIONS TO LAND, SEA AND COMMUNITY. WE PAY OUR RESPECT TO THEIR ELDERS PAST AND PRESENT AND EXTEND THAT RESPECT TO ALL ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES TODAY.

Who we are

Sundale is a trusted Sunshine Coast based, not for profit, provider of services for older people. Our edge lies in our commitment to serving the community with diverse accommodation options. We offer a range of choices to meet need, including rental properties, Care Communities, Retirement Villages and In-Home Care service offerings.

Unlike many others, we provide comprehensive living solutions that cater to every stage of life, ensuring older people and their loved ones, can find the perfect place to call home right here in our local community.

We are a team of more than 600 people. Team Sundale is more than just a collection of service offerings. We are a diverse group of people with a range of experiences, skills, and energy dedicated to significantly enhancing the lives of older people and the broader community. Our focus is on supporting older individuals to live their best lives. We understand the actions we take today and the values we uphold create opportunities to positively impact future generations.



CARE RECIPIENTS

529



RESIDENTS

431



IN-HOME CARE
CLIENTS

649



TEAM MEMBERS

628



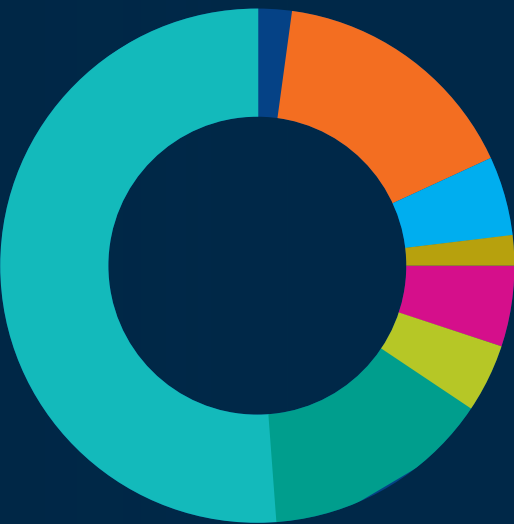
VOLUNTEERS

150



MEMBERS*

127



- COOLUM WATERS MEMBERS
- PALMWOODS GARDENS MEMBERS
- ROTARY GARDENS MEMBERS
- BOARD MEMBERS
- FOUNDING MEMBERS
- LIFE MEMBERS
- COMMUNITY MEMBERS
- TEAM MEMBERS (SUNDALE EMPLOYEES)

*Members are qualified representatives of the Sundale community who support the objectives of the organisation.



Chairperson's Report



The aged care and ageing in place sectors continue to grapple with considerable change, specifically regulatory and financial pressures. As Sundale adapts and responds to these forces, it is essential that as a business we remain focused, so we can achieve long-term care and financial success.

Considered decisions throughout FY24 saw Sundale better its approved operating budget. With Sundale's financial stability paramount in the Board's planning, the Board is confident that a responsible FY25 operating budget will see Sundale return to profit by 30 June 2025.

The ripples of the Royal Commission into Aged Care Quality and Safety continue to be felt sector wide. Changes to legislation and increased regulatory oversight have added layers of operational complexity and cost to the business.

The latest Stewart Brown research reveals that some operators in the aged care sector continue to make significant losses through the delivery of everyday living and accommodation services, with more than 50 per cent of aged care homes operating at a loss.

This challenging environment means there will be further consolidation and rationalisation of providers in the coming years, with only the strongest likely to survive.

To ensure Sundale is one of these, and that we continue to meet and better our regulatory obligations, the Board has engaged an external specialist to undertake a

comprehensive governance review. A new Company Secretary, Chris Appleby was also appointed to ensure Sundale is compliant with the relevant corporate legislation.

On behalf of the Board, I wish to thank Sundale's Members for their ongoing interest in and passion for Sundale's role in the community and the services we provide.

I would like to congratulate and thank all Sundale team members and volunteers for living the values of Sundale and for their commitment to serving the Sunshine Coast, Kilcoy and Boyne Island communities.

I would also like to thank and commend the Executive Leadership Team for its commitment, resolve and hard work over the past year and welcome new Chief Executive Officer, Cameron Taylor.

On a personal note, I would like to thank my fellow Board Directors for their counsel and energy throughout the year. I would also like to acknowledge and thank Ian Black who recently stepped down from the Board.

There's no argument the sector is evolving, however, I'm confident the considered and appropriate decisions the Board has made in the past year will continue to deliver long-term success, benefiting our community and most importantly Sundale's team members and volunteers and our care recipients, residents and clients.

Terence Seymour
CHAIRPERSON

Chief Executive Officer's Report



At Sundale our distinctive edge lies in our commitment to serving the community with diverse accommodation options. We offer a range of choices to meet need, including rental properties, Care Communities, Retirement Villages and In-Home Care service offerings.

Unlike many others, we provide comprehensive living solutions that cater to every stage of life, ensuring older people and their loved ones, can find the perfect place to call home right here in our local community.

It is an absolute privilege to be Sundale's new Chief Executive Officer.

I have been presented with an amazing opportunity to help shape the organisation, to address the changing needs of our customers today and for the future.

Accommodation choices are important, however, Sundale's superpower is our diverse team that dedicate themselves to caring for our residents.

Our journey of change is focused on creating a collaborative and accountable culture, aligned with a refreshed Vision:

To be the most respected seniors' accommodation choice and integrated living solutions provider in the local community.

Together, we have an opportunity to improve and grow every aspect of our business to meet the customers evolving expectations and needs.

Our resident experience is central to our operating model. As humans, we only remember experiences and how they make us feel. By putting the customer at the centre of our business we will be reminded daily why we exist.

Responsible and disciplined business administration will also ensure the organisation is headed in the right direction, specifically from a governance, compliance and financial perspective.

Sundale's new Strategic Plan is centred around several pillars.

Our triple bottom line approach will balance people, property and profit.

I am committed to delivering financial stability through revenue growth and disciplined cost control. Our In-Home Care business represents a substantial growth opportunity, whilst fulfilling our customer care journey.

Property refurbishments, re-purposing and developments represent a significant opportunity in both the short to long term to create beautiful places to live, deliver increased scale and to better serve communities.

An improved and sustainable profit will enable us to continually re-invest in the business. Financial losses, relying on asset sales and retained earnings are neither sustainable or attractive.

Ultimately, we are a people business, and I will prioritise People, whether it be our customers, our Members, our loyal team, our suppliers and the local community above all else.

I would like to acknowledge and thank Sundale's team members and volunteers for their hard work and dedication over the past year and thank Sundale's Members for their support since my appointment as Chief Executive Officer. I would also like to thank the Board for its guidance and support.

Thank you for your ongoing support and dedication to Sundale. Together, we are building a brighter future for our customers and the community.

A handwritten signature in dark ink, appearing to read 'Cameron Taylor'.

Cameron Taylor
CHIEF EXECUTIVE OFFICER

Care Centres



Servicing the Sunshine Coast, Gladstone and Kilcoy, Sundale's Care Centres provide exceptional aged care and assistance services for optimal health and wellbeing.



7

LOCATIONS

-  **ALOAKA LODGE**
52 Taylor St, Kilcoy, QLD 4515
-  **BINDAREE LODGE**
1 Beacon Ave, Boyne Island, QLD 4680
-  **BOWDER LODGE**
35 Doolan Street, Nambour, QLD 4560
-  **COOLUM BEACH CARE CENTRE**
4 Wembley Rd, Coolum Beach, QLD 4573
-  **JAMES GRIMES CARE CENTRE**
35 Doolan Street, Nambour, QLD 4560
-  **PALMWOODS GARDEN VILLAGE CARE CENTRE**
61 Jubilee Dr, Palmwoods, QLD 4555
-  **ROD VOLLER CARE CENTRE**
98 Windsor Road, Nambour, QLD 4560

STAR RATING 

BEDS 

ALOAKA LODGE	BINDAREE LODGE	BOWDER	COOLUM WATERS	JAMES GRIMES	PALMWOODS GARDEN VILLAGE	ROD VOLLER
4	4	5	4	4	4	4
40	40	32	50	74	71	50

*Star Ratings, overseen by the Australian Government, consider four categories: compliance, residents' experience, staffing minutes and quality measures. The Star Ratings allow older Australians and their family and friends to easily compare services and make informed choices about aged care.



Dawn MacGregor
Resident

For the past 11 years, Dawn MacGregor has been Coolum Waters Care Centre's keyboard maestro and style icon.

Growing up in country Victoria, Dawn's musical journey began as a young girl with private piano lessons, where she soon discovered a natural gift for playing the organ.

Dawn's musical prowess allowed her to forge a successful career in the industry. She started her own band, 'Dawn Duff Trio', recorded records, performed at weddings and events, and taught piano to more than 40 students.

"Some of my proudest moments include playing for Ian Turpie, Patti Newton, the Geelong Football Club and even the Labor Party," Dawn said.

"I love playing the piano whenever I get the opportunity, it transports me back in time.

"Sometimes I catch the retirement village residents sneaking in from next door to hear me play!"

Beyond her musical talents, Dawn is well-known around Coolum as 'the flower lady', famed for her vibrant style and flower-adorned walker.

"Fashion was my first love. As a child, I'd often go places with my parents just so I could sit in the car and people-watch for fashion inspiration," Dawn said.

"The Sundale staff regularly ask me if they can borrow something to wear – it's the greatest compliment."

Dawn shares a special bond with the team at Coolum Waters Care Centre, who affectionally call her 'Mama'.

"I've grown incredibly close to the staff here, I consider them my family," Dawn said.

"They take excellent care of me while empowering me to maintain my independence.



"I take great pride in residing at Sundale, this place feels like my palace!"





Retirement Communities

Blending independence and outstanding support with caring, compassionate team members, Sundale is the perfect place to call home.


4
LOCATIONS

-  **COOLUM WATERS**
4 Wembley Rd, Coolum Beach, QLD 4573
-  **NAMBOUR GARDEN VILLAGE**
35 Doolan Street, Nambour, QLD 4560
-  **PALMWOODS GARDEN VILLAGE**
61 Jubilee Dr, Palmwoods, QLD 4555
-  **ROTARY GARDEN VILLAGE**
98 Windsor Road, Nambour, QLD 4560

IN DETAIL

COOLUM WATERS	NAMBOUR GARDEN VILLAGE	PALMWOODS GARDEN VILLAGE	ROTARY GARDEN VILLAGE
• 35 Two-bedroom units • 88 Three-bedroom units	• 18 Two-bedroom units	• 124 Two-bedroom units • 52 Three-bedroom units	• 23 One-bedroom units • 54 Two-bedroom units • 3 Three-bedroom units



Narelle Hansell
Resident

Narelle Hansell feels right at home at Palmwoods Garden Village, especially with her parents next door.

After moving to Palmwoods in 2022, the stars aligned for Narelle and her family when the neighbouring unit came up for sale.

"It's the perfect situation and provides us all with peace of mind," Narelle said.

"We're really happy here, we cherish our time together while also valuing our space and independence."

Having devoted the past twenty years of her career to scientific research in Brisbane, Narelle found retirement an opportune moment for a tree change.

"I had a busy research-based career, most recently at the Queensland Brain Institute and the QIMR Berghofer Medical Research Institute," Narelle said.

"I loved my career, but I always enjoyed escaping the city for short breaks, often retreating to the Sunshine Coast.

"You can visit the hinterland and hit the beach in the same day. I love being in this part of the world.

"I struggle to imagine what my life would be like if I'd stayed in the city."

Narelle was drawn to Palmwoods Garden Village because of its spectacular views and the co-located care centre.

"The care centre gives me a sense of security and has allowed me to futureproof my retirement," Narelle said.

"It'll be an easy transition if I ever require an increased level of care.

"I don't know what the future holds, but I know with Sundale it's bright."



In-Home Care

Sundale’s specialist In-Home Care team provides peace of mind and the convenience of having personalised care in your own home.

Our dedicated team of registered nurses and carers understand that from time-to-time you may need a little help and support following a medical setback or a pre-existing health issue.



649
CLIENTS



10,631
LOADS OF WASHING



7,499
OUTINGS



54
IN-HOME CARERS



10,631
BEDS MADE



312,000
KILOMETRES TRAVELLED



37,193
SERVICES



“Just be happy.”

Betty Conry
In-Home Care client

‘Just be happy’ is In-Home Care client, Betty Conry’s life motto.

Despite facing personal tragedies, losing both her husband, Reginald, and eldest son, Wayne in 2018, Betty maintains a remarkably positive outlook on life.

Eight years ago, amidst the worsening of Reginald’s dementia, Wayne encouraged his parents to relocate to Cooloom from the Gold Coast to be closer to family.

“The move up the coast was a no-brainer, I needed the extra support with Reginald,” Betty said.

“We both felt at home in Cooloom, having spent most of our lives by the water in Caringbah, New South Wales prior to living on the Gold Coast.

“My health started to decline after Reginald’s passing, so Wayne arranged Sundale’s In-Home Care services for me before he unexpectedly passed too.”

Betty appreciates the extra pair of hands and the friendly faces which help her stay atop of household tasks.

“They’re wonderful! They’ve helped me with anything and everything over the past eight years,” Betty said.

“From ensuring I take my medications, to handling the washing and the cleaning, they’ve become a lifeline.

“Usually, they pop in for a few hours each weekday and an hour or so on weekends. I look forward to their visits.”

Thanks to Sundale’s In-Home Care service, Betty enjoys all the creature comforts of being in her own home, while still feeling exceptionally well cared for.

“I’m happy with my life and grateful for Sundale’s support,” Betty said.

“That’s all I can ask for.”

Governance

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

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

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

Board responsibilities include:

STRATEGY, POLICIES AND GOVERNANCE

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

MANAGEMENT

- Appointing and removing the Chief Executive Officer;
- Appointing and removing the Company Secretary;
- Recommending the appointment of an external auditor to members;
- Monitoring the performance of the Chief Executive Officer; and
- Oversight of Sundale, including its control and accountability systems.

FINANCIAL

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

COMPLIANCE AND RISK

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

AGED CARE REFORMS

The Australian aged care reforms encompass a comprehensive set of measures aimed at enhancing the quality, accessibility, and transparency of care services for consumers. These reforms address critical areas such as governance, accountability, and workforce development within the aged care sector. They emphasise improving the overall quality of care to ensure consumers receive safe and dignified treatment. Additionally, the reforms promote greater engagement with stakeholders and the implementation of innovative care models.





Board responsibilities include:

- Ensure effective implementation of the aged care reforms and monitor their progress;
- Develop and adapt strategies that align with the reform goals and address the evolving needs of the aged care sector;
- Establish transparent governance practices that uphold the principles of accountability, integrity and ethical conduct;
- Ensure Sundale complies with all relevant policies, regulations and guidelines set forth within the aged care reforms;
- Implement mechanisms to continuously assess and enhance the quality of care and services provided to consumers;
- Foster positive relationships with stakeholders, including consumers, families, staff and community members to gather feedback and insights;
- Allocate resources effectively to support the implementation of reforms and maintain financial sustainability;
- Invest in training and development programs for staff to meet the changing requirements of the reformed aged care landscape;
- Provide accurate and timely data reporting to regulatory bodies to demonstrate compliance and progress towards reform objectives;
- Encourage innovative approaches to service delivery and care models that align with the reform’s principles;
- Identify and address potential risks associated with the implementation of reforms, ensuring the well-being of consumers and Sundale; and
- Regularly review and assess the effectiveness of the implemented changes, making adjustments as needed to achieve the desired outcomes.

CLINICAL GOVERNANCE

Sundale’s mission is to foster connection, purpose and joy for our older people and help remind them of their many unique skills and abilities. This means our care recipients, residents and clients can live with dignity, make their own choices and enjoy independence. There is increasing demand for elderly care services, and the types of care are becoming more intense and complex as people live longer, have more demanding co-morbidities and expect higher levels of more advanced care.

Sundale’s clinical governance structure ensures all the elements that create the care and support for our care recipients, residents and clients are considered and work effectively. Our goal is to have a system of clinical governance that creates highly reliable care for everyone at Sundale.

There are seven pillars which influence the extent to which care will be delivered in a highly reliable way:

PILLAR 1

Our care is audited to ensure we’re meeting expected benchmarks and can improve where gaps are identified.

PILLAR 2

Clinical treatment is effective, research based and adheres to guidelines. We learn from experience, have practice manuals and use research to ensure alignment with evidence-based care practices.

PILLAR 3

Team members are competent and capable and receive ongoing education and training.

PILLAR 4

Care recipients, residents and clients and their families are engaged. Feedback from team members, care recipients and their families drive improvements in the safety and quality of care.

PILLAR 5

We identify and manage risk by creating a shared understanding (policies, procedures and protocols), monitoring, managing and reporting what’s working and what isn’t (clinical performance, compliments and complaints, open disclosure, adverse patient safety events).

PILLAR 6

Sundale’s overall governance ensures team members are recruited to, and continue to work in, an organisation that supports staff management. Clearly defined strategy, policies, delegations, reporting lines, risk management and performance accountability create an environment for effective operational clinical governance.

PILLAR 7

Information and information technology is safe, effective, integrated, high quality and continuously improving.



Our People

Two overarching drivers influence how we make decisions; Sundale’s values and Sundale’s clinical governance principles.

High-quality care is consistently provided by establishing clear accountability, standards, and oversight mechanisms. Within this system, the development of our model of care has been a strategic endeavour, tailoring care approaches based on evidence-based practices and interdisciplinary collaboration. Sundale’s Older Person Engagement and Participation Framework aligns with clinical governance, prioritising shared decision-making and fostering consumer involvement.

MODEL OF CARE

Sundale’s model of care outlines a structured approach to delivering healthcare services that focus on optimising consumer outcomes and experiences. It encompasses a systematic framework for assessing, diagnosing, treating, and managing consumer’s health conditions. The model integrates evidence-based practices, standardised protocols, and interdisciplinary collaboration among healthcare professionals to ensure comprehensive and consistent consumer care. Sundale’s model of care enhances the effectiveness and efficiency of our services, promotes consumer safety, and improves overall healthcare quality.

Sundale supports its care recipients to find joy and connection in the later stages of life.

Sundale is dedicated to enhancing the quality of life for its care recipients by offering an integrated, personalised and tailored approach. Our commitment to excellence is evident in the exceptional clinical care we provide, the unique Lifestyle programs we offer and the outstanding dining experiences we deliver. By focusing on these key elements, we strive to significantly enrich the overall experience of our care recipients and clients, ensuring they receive comprehensive care and a fulfilling lifestyle.

OLDER PERSON ENGAGEMENT AND PARTICIPATION FRAMEWORK

Sundale’s Older Person Engagement and Participation Framework outlines a structured approach to involving care recipients, residents and clients in their healthcare journey, promoting active participation, shared decision-making, and collaboration. Our framework emphasises the importance of empowering care recipients, residents and clients to take an active role in their care by providing them with information, resources, and opportunities to voice their preferences and concerns. It involves communication strategies, educational tools, and technological solutions to enhance consumer-provider interactions.

At Sundale, we cultivate an environment that embodies appreciation, support, and motivation, ensuring individuals feel empowered to deliver their best efforts. It fosters an environment of trust, respect and collaboration, where diversity is embraced, and each unique perspective is valued.

Within this culture, leadership practices, transparency and open communication, actively promote dialogue and feedback. A pronounced sense of purpose and collective goals unites everyone around a shared vision.

We place a strong emphasis on continuous learning and development, regularly extending recognition and appreciation. Additionally, we maintain a healthy work-life balance which honours and respects the well-being of all individuals.

TEAM MEMBERS

628



18% FULL TIME
60% PART TIME
22% CASUAL



65% DIRECT CARE
35% INDIRECT CARE

AVERAGE TENURE

4.8 YEARS



“I believe we’re put on this earth
to help other people.”



Betty Jenkins
Volunteer

Betty Jenkins has called Nambour Garden Village home for 20 years, however her association with Sundale began 33 years ago as a volunteer.

For as long as she can remember, Betty has had a strong desire to help others, having dedicated much of her career to the Royal Flying Doctor Service as a nurse.

Following the passing of her husband Jack, Betty was inspired to volunteer at Sundale after a conversation with a fellow parishioner at the Nambour Uniting Church.

Betty’s remarkable contributions have not gone unnoticed, having received Sundale’s ‘Volunteer of the Year’ award not once, but twice.

“There’s not much I haven’t done at James Grimes Care Centre. I’ve swept the courtyards, watered the pot plants, mended clothes and helped with church services in the chapel.”

Now 95 years of age, Betty remains devoted to volunteering, despite eyesight and health challenges.

“I believe in doing what you can, while you can. It helps me forget about my own ailments,” Betty said.

“I can’t do as much as I used to, but I continue to lend a hand where I can. My vision loss doesn’t stop me from having a good chat with the residents.”

Betty understands better than most the positive impact Sundale has on residents, families and the broader community.

“My time with Sundale has been incredibly rewarding and I hope they continue what they’re doing long into the future.”

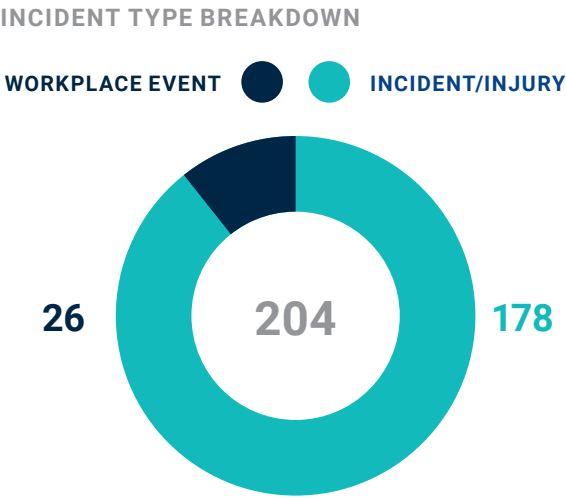
Work, Health & Safety

Sundale is committed to providing a safe and healthy work environment for all team members, customers and visitors. We take a proactive approach to workplace health and safety, prioritising compliance and continuous improvement in safety performance.

Our key achievements in FY24 include:

- Development of the Mental Health and Wellbeing Strategic Plan;
- Decrease in workplace incidents;
- Prevention training programs to support team members caring for residents with dementia;
- Aggression prevention training for team members to identify escalating behaviours which can lead to injuries;
- Implemented a collaborative and proactive approach to managing Serious Injury Reporting Scheme incidents to mitigate future occurrences;
- Instigated a proactive approach to managing injured workers; and
- Inclusion of dedicated Safety and Wellbeing segment in new starter orientation.

FY24 saw 204 workplace events/incidents at Sundale, a decrease of 33.3 per cent compared to FY23. The decrease reflects Sundale’s proactive efforts to educate team members of the importance of safe manual handling/safe transfer and reflects a growing awareness and commitment to safety at Sundale.





The Himstedt family

Team members / volunteer

Collectively, the grandmother, mother, daughter team of Kathy Himstedt, Sue Kropp and Amanda Collins have dedicated 90 years of service to Sundale and its residents.

Kathy began her career with Sundale at Nicklin Lodge in Nambour in 1978 as Assistant Supervisor and Cook, retiring 24 years later as Lead Cook at Palmwoods Garden Village Care Centre.

Post-retirement, Kathy remains deeply committed to the Sundale community, regularly volunteering at Palmwoods.

“The connections I’ve formed with the residents and the wisdom they’ve shared with me are invaluable. I feel privileged to still be a part of this community.

“I feel a great sense of pride in my daughter and granddaughter for choosing Sundale to further their careers.”

Following closely in her mother’s footsteps, Sue started work with Sundale in 1995.

Having worked across a range of roles from caregiving to administrative duties over nearly three decades, Sue is now the Roster Coordinator at Palmwoods.

“Sundale’s welcoming environment and emphasis on work-life balance make it feel like home,” Sue said.

“When my children were younger, I was allowed to bring them to work with me during the school holidays. How many organisations would allow you to do that?”

Completing the extraordinary family affair is Sue’s daughter Amanda, who started at Sundale as a Personal Care Assistant, working after school and on weekends before being offered a scholarship to become an Endorsed Enrolled Nurse.

Having devoted 18 years of her life to Sundale, Amanda’s dedication to Sundale extends well beyond her time caring for residents.

“Sundale has been a part of my life since childhood,” Amanda said.

“I’ve grown up within these walls. I have fond memories of coming to Palmwoods after school when Nan worked there and helping Mum out on school holidays.”

As the Himstedt family reflect on their combined 90-year legacy, they are excited to continue to uphold Sundale’s tradition of excellence in senior care.

“Volunteering allows me to give back to an organisation that has given me so much.”

The Board



Terence Seymour
CHAIRPERSON

Terence has extensive experience in the private, for profit and not-for-profit sectors and in the public sector. He has developed considerable expertise in the areas of strategic transformation of people and cultures, in customer service, corporate governance and risk management, business development and in driving operational efficiency and transformation.

His employment history includes periods as an executive and business leader within national and international organisations across a range of industries and contexts and he has worked in a broad range of cultures and environments.

Joined the Sundale Ltd Board in 2022.



Jenny McKay
DEPUTY CHAIRPERSON

Extensive Local, State and Federal government experience, including 20 years as a Sunshine Coast Councillor.

More than 20 years of experience in administration for the Queensland Police Service in Nambour, Maroochydore and Noosa.

A past Sundale Board Member, who played an important role in the creation of Palmwoods Garden Village Care Centre, Coolum Waters Care Centre and Sundale’s In-Home Care unit in the early 2000s.

Born in Nambour with numerous family and friendship connections to Sundale.

Joined the Sundale Ltd Board for the second time in 2021.



Chris Westacott
DIRECTOR

Chris is a specialist aged care consultant who works with organisations to improve performance through practical renewal of their people management and governance systems and processes.

Chris holds an MBA, Degree qualifications in Human Resources and Marketing and a Diploma of Directorship. Chris also holds Fellowships with the Australian Institute of Company Directors, the Australian Human Resources Institute and the Australian Institute of Leadership and Management.

Joined the Sundale Ltd Board in 2022.



Ross Morgan
DIRECTOR

Ross is a Non-Executive Director with experience in the disability, family services, aged care services, mental health, tourism, membership and charity sectors.

He holds a Graduate Certificate of Management and a Business Degree. Ross is a qualified CPA (Certified Practising Accountant), a Member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and a Fellow of the Institute of Managers and Leaders ANZ.

Joined the Sundale Ltd Board in 2022.



Martin (Marty) Hunt
DIRECTOR

Marty has had a 32-year career as a Queensland Police Officer and a three-year stint as the Member for Nicklin in the Queensland Parliament being appointed as Shadow Assistant Treasurer. He holds a Certificate IV in Small Business Management and a Certificate IV in Workplace Health and Safety.

Marty’s career included management of the non-profit Police Citizens Youth Club at Nambour for 17 years, including several school aged care facilities winning several awards, including the Sunshine Coast Council Australia Day Award for Community Organisation of the year in 2015. He has been a local in the Nambour area for 24 years.

Joined the Sundale Ltd Board in 2022.



Ian Black
DIRECTOR

Before moving to the private sector, Ian held positions with the National Capital Development Commission and the Darwin Reconstruction Commission specialising in Capital Works Programming. Has been a team leader in his own businesses, in particular in property and property development. He has held positions with the Real Estate Institute of Australia and more recently the Real Estate Institute of Queensland. A Sunshine Coast resident for almost 40 years, business owner of Day and Grimes Real Estate (1996 to 2022) and a Nambour resident since 2007

Joined the Sundale Ltd Board in 2022.



Jodie Ashworth
DIRECTOR

Jodie is a highly skilled health care leader who has been in the public and not-for-profit health sector for more than 38 years. She has experience in a range of organisations from small rural to large tertiary centres across three states of Australia.

Jodie has had significant managerial and operational experience at executive and senior management levels that has involved financial accountability, development of service capability, responsibility for patient/ resident care and multi-disciplinary team management.

Joined the Sundale Ltd Board in 2024.



Sonja Walters
DIRECTOR

MBA, BSW, GAICD, Fellow – Institute of Managers and Leaders ANZ

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

Joined the Sundale Ltd Board in 2019.

Board meeting attendance

Name	Held	Attended
Terence Seymour	15	15
Jenny McKay	15	14
Chris Westacott	15	14
Ross Morgan	15	12
Martin (Marty) Hunt	15	12
Ian Black	15	12
Brett Cowling <i>(Joined: 25/09/2023 Finished: 21/11/2023)</i>	2	2
Jodie Ashworth <i>(Joined: 25/09/2023)</i>	14	12
Sonja Walters <i>(Finished 21/11/2023)</i>	3	3



Table 1 - Operational Performance Year on Year

	2018	2019	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating revenue	50,175	48,320	45,342	43,623	43,998	51,871	68,190
Operating expenses	(51,440)	(54,746)	(57,121)	(61,450)	(61,651)	(60,877)	(69,915)
Operating surplus/(loss)	(1,265)	(6,426)	(11,779)	(17,827)	(17,653)	(9,006)	(1,725)

The Board and Executive Leadership Team have remained committed to steering Sundale towards profitability, skilfully managing a landscape of evolving regulatory changes.

FY24 marked the second year of our strategic, three-year initiative to guide Sundale back to an operational surplus. This strategy emphasises cash generation and effectively halts the trend of yearly operational losses, which were previously supported by our cash reserves and asset sales.

In the second year of our transformative three-year plan, we achieved a significant milestone by recording an operational loss after depreciation and statutory adjustments of \$1.7m, representing a remarkable 80 per cent improvement from the prior year’s \$9m operational loss.

We are pleased to report the FY24 operating result, before depreciation and statutory adjustments, exceeded our budgeted target by an encouraging \$0.7m. This positive outcome should instil confidence in our Members as we remain on course to achieve a net operating surplus in FY25, marking a significant turnaround after seven years of operating losses.

The notable improvement compared to FY23 is primarily driven by a substantial increase in operating revenue of \$16.3m, which has more than compensated for the \$9m rise in operating expenditure.

This increase in operating revenue can largely be attributed to an uplift in Residential Aged Care income of \$12.3m, alongside enhanced revenue growth across all operational sectors. In particular, In-Home Care experienced impressive growth with a 34 per cent increase in annual revenue, totalling an additional \$2.4m.

FY24 marked the second year of the Australian National Aged Care Classification (AN-ACC) funding model for residential aged care, and thanks to the outstanding efforts of our Clinical and Operations team in preparing for the transition in FY23, we successfully optimised revenue opportunities in FY24 under the new model by:

- ensuring clinical assessments of our residents are up to date and accurate and reflect the dedication and efforts of care staff;
- maximising the occupancy rates at our facilities by ensuring a steady influx of eligible residents and reducing the time to fill vacant rooms; and
- Utilising the expertise of our in-house Clinical Assessment team to boost our per person, per bed day Commonwealth funding by continual education of our operational teams to better understand the AN-ACC funding model.

Sundale achieved a consolidated profit of \$29.2m in FY24, showcasing a remarkable \$13m improvement on the FY23 profit of \$16.2m. A significant contribution to this positive result was the \$28m revaluation gain on investment property assets.

The recruitment of a Chief Executive Officer with robust property management expertise in the aged care sector, along with the establishment of a focused 3-year strategic plan, provides Sundale with a strong foundation for sustainable growth and business success.

PROFIT AND LOSS

Sundale recorded an operating loss of \$1.7m for FY24.

The biggest contributor to Sundale’s improved overall result is the performance of our Care Centres, and during FY24 we saw significant improvement in revenue

Financials

2024

across all our Care Centres (34 per cent uplift), albeit with an increase of 17 per cent in Care Centre operating expenses.

The improvement in revenue attributable to AN-ACC funding subsidy per resident per bed day was a major contributor to the improved result and offset the lower-than-expected occupancy levels at our Care Centres in the first nine months of the financial year.

To compensate Aged Care providers for the Work Value Case increases to care staff award rates that came into effect on 30 June 2023 (minimum wage increase 5.75 per cent) and 1 July 2023 (Aged Care Direct Care Staff wage increase 15 per cent), the Government increased AN-ACC subsidies during FY24. This had the dual impact of increasing revenue and staffing costs at the same time.

Care Centre staffing cost was further impacted by the Enterprise Bargaining Agreement 2.38 per cent increase for direct and indirect award staff wages and 15 per cent increase to support worker payments. Overall staffing costs at our Care Centres was \$4.3m (or 14 per cent) over budget for the year.

Care Centre expenditure before recharges was over budget by \$5.8m for FY24. Administration (\$0.6m), repairs and maintenance (\$0.5m), food services (\$0.2m) and staffing costs (\$4.4m) all contributed to this.

Administration costs were impacted by several factors including travel expenditure for agency staff to fill vacancies at Bindaree, additional security personnel, and recruitment fees to fill senior vacancies. Food service costs were highly variable across sites and work has commenced to standardise menus and processes.

Asset management has become a key focus as we shift from reactive repairs and maintenance to a proactive, planned and scheduled approach.

The Retirement Communities have demonstrated a strong performance, delivering a net operating profit of \$0.96m, which is \$0.6m higher than FY23, even before considering the investment property revaluation gain.

Sundale's investment properties returned a net operating profit of \$0.6m, reflecting a \$0.2m increase over FY23, prior to the property revaluation gain. Additionally, the caravan park (Woombye Gardens) exhibited growth, returning a profit of \$0.25m, marking a \$0.02m increase over FY23, prior to the property revaluation gain being applied. These results highlight our commitment to excellence and growth in our asset management and operational efficiency.

The In-Home Care business achieved remarkable growth, returning a net operating profit of \$0.6m, a significant increase of \$0.8m compared to FY23.

FY24 saw strong investment returns, with the portfolio's value appreciating by more than \$4.8m or 8.8 per cent. The solid returns were driven predominantly by buoyant equity markets which saw the equity portfolio return ~11 per cent, and higher interest rates providing better returns on cash and fixed interest investments. Notably, our defensive fixed interest investments delivered a strong annualised return of 7.8 per cent.

The revaluation of investment properties, including Retirement Communities, rental properties, a caravan park and vacant land, under the revised accounting standard adopted for the first time in FY21 led to a gain of \$28m. This revaluation has had a substantial positive impact on the overall consolidated results. However, it is important to note that it does not improve the underlying financial health of Sundale. The board and management remain committed to addressing the underlying operational loss of \$1.7m, focusing on strengthening our core operations for sustainable long-term success.

BALANCE SHEET

The investment property revaluation significantly enhanced Sundale's assets and equity by \$28m. While this revaluation primarily impacts asset valuation, we remain focused on addressing historical operational challenges to further strengthen our financial foundation.

The net increase of \$19.6m to the value of Accommodation deposits has positively impacted Sundale's cash reserves. Additionally, the reduced operational loss in FY24 has led to an increase of \$4.4m in cash, cash equivalents, and financial assets over the financial year.

Looking ahead, the completion of the Palmwoods Garden Village expansion later this year is poised to further bolster our financial position through anticipated sale proceeds. This forward momentum underscores our commitment to sustainable growth and financial stability.

STATEMENT OF CASHFLOWS

There was an increase in funds over FY24 of \$1.9m, predominantly from proceeds of investing activities.

Investing activities consumed \$22.3m with \$14.8m spent on investment property assets being the development works and construction of the stages 1, 2 and 3 for the Palmwoods Garden Village expansion.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Operational revenue and other income			
Operational revenues	5	61,027	45,739
Accommodation bond and licence contribution		2,812	2,742
Other income	5	4,351	3,390
Expenses			
Depreciation, amortisation and impairment	6	(1,718)	(2,057)
Employee costs		(48,061)	(41,220)
Minor project costs		(245)	(203)
Administration costs		(3,002)	(2,921)
Other expenses	6	(16,889)	(14,476)
Total expenses		(69,915)	(60,877)
Deficit from operating activities			
		(1,725)	(9,006)
Finance income			
Finance income	6	6,124	2,260
Finance costs	6	(3,576)	(2,556)
Net finance income / (costs)		2,548	(296)
Significant items			
Coronavirus pandemic: Government assistance		–	84
Gain on revaluation of investments – fair value through profit or loss		356	2,985
Gain on revaluation investment property – fair value through profit or loss	12	28,033	22,402
Net surplus/(deficit) for the year		29,212	16,169
Total comprehensive income for the year		29,212	16,169

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	19,150	17,242
Trade and other receivables	9	1,825	1,165
Inventories		97	93
Financial assets at amortised cost	10	12,800	10,412
Other current asset	11	2,254	2,077
Total current assets		36,126	30,989
Non-current assets			
Financial assets at fair value through profit and loss	10	59,010	54,259
Other non-current assets	11	136	–
Investment property	12	273,201	229,854
Property, plant and equipment	13	17,260	17,284
Right-of-use assets	14	231	284
Total non-current assets		349,838	301,681
Total assets		385,964	332,670
Liabilities			
Current liabilities			
Trade and other payables	15	7,167	3,378
Accommodation payables	16	153,982	134,341
Provisions	17	5,876	4,585
Lease liabilities	18	102	156
Total current liabilities		167,127	142,460
Non-current liabilities			
Provisions	17	588	1,144
Lease liabilities	18	111	140
Total non-current liabilities		699	1,284
Total liabilities		167,826	143,744
Net assets		218,138	188,926
Equity			
Accumulated funds		218,138	188,926
Total equity		218,138	188,926

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	NOTE	Accumulated Funds
		\$'000
Balance at 1 July 2022		172,757
Surplus for the year		16,169
Total comprehensive income		16,169
Balance at 30 June 2023		188,926
Balance at 1 July 2023		188,926
Surplus for the year		29,212
Total comprehensive income		29,212
Balance at 30 June 2024		218,138

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	NOTE	2024	2023
		\$'000	\$'000
Operating activities			
Receipts of subsidies and revenue from clients		63,512	48,558
Receipt of grants and one-off funding		94	281
Payments to suppliers and employees		(65,516)	(60,465)
Donations		15	43
Interest paid		(155)	(130)
Interest received		2,203	83
Dividends received		3,921	1,011
GST refunded		2,014	1,582
Net cash provided by/(used in) operating activities		6,089	(9,037)
Investing activities			
Acquisition of property, plant & equipment		(1,486)	(950)
Purchase of financial assets		(2,388)	33,565
Purchase of investments		(4,395)	(4,000)
Purchase of investment property		(15,315)	(8,524)
Net cash provided by/(used in) investing activities		(23,584)	20,091
Financing activities			
Repayment of lease liabilities		(239)	(311)
Proceeds from accommodation payables		39,058	28,942
Repayment of accommodation payables		(19,416)	(26,203)
Net cash provided by financing activities		19,403	2,428
Net increase/(decrease) in cash and cash equivalents held		1,908	13,482
Cash and cash equivalents at beginning of the financial year		17,242	3,760
Cash and cash equivalents at end of the financial year	8	19,150	17,242

(i) Includes restricted cash of \$966,203 (2023: \$1,004,000). Restricted cash relates to cash the Entity is required to have on hand under the Retirement Villages Act 1999 (Qld.) for maintenance and replacement of retirement village capital items.

NOTES TO THE FINANCIAL STATEMENTS

The financial report of Sundale Ltd (the “Entity”) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Board on 21 October 2024The Entity is a public company limited by guarantee and is registered as Sundale Ltd [A.C.N. 164 270 946] under the *Corporations Act 2001*. The registered office is located at 96 Windsor Rd, Burnside 4560.

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

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

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

1 Basis of preparation

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

The Entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to ‘rounding off’. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

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

Comparatives

Comparative information is reclassified where appropriate to enhance comparability. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. Comparative information reflects the audited FY23 financial statements, with a reclassification of operational revenue and other income, and other expenditure, on the statement of profit or loss and other comprehensive income. This is to reflect government subsidy income and expenditure for in-home care brokered services (note 2j) on a gross instead of net basis. There has been no change to total comprehensive income or net assets as a result of this change.

2 Summary of material accounting policies

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

(a) Capital replacement, maintenance reserves and general services trust funds

Sundale Ltd has established Capital Replacement Fund (CRF) and Maintenance Reserve Fund (MRF) Trust Account bank accounts. While the transactions of the MRF trusts are excluded from this financial report, the bank account balances relating to the CRF’s are included in the report under cash and cash equivalent balance.

(b) Cash and cash equivalents

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

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

(c) Trade and other receivables

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

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

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

(d) Property, plant and equipment

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

Assets under \$2,000 cost are expensed.

Depreciation

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

Plant and equipment greater than \$2,000	2–10 years
Motor vehicles	3–5 years
Furniture and fittings	3–10 years
Buildings	10–40 years

Freehold land is held at cost less accumulated impairment losses.

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

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

Impairment

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

(e) Right-of-use assets

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

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

2 Summary of material accounting policies (continued)

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

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

(f) Trade and other payables

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

(g) Provisions

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

Where the Entity expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company’s incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index

or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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

(i) Employee leave benefits

Annual leave

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

Long service leave

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

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(j) Revenue and other income

Revenue from contracts with customers

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

Residential aged care and in-home care

The Entity recognises revenue from aged care and in-home care services over time as performance obligations are satisfied, which is as the services are performed as the customer simultaneously receives and consumes the benefits provided by the Entity.

The provision of care to a resident is a single performance obligation. Other services, such as additional services (including additional menu choices or Foxtel) and accommodation charges contain a number of different performance obligations.

Government grants are recognised as income at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to compensation for expenses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised in the profit and loss in the period in which it becomes a receivable. Government grants are considered as other income.

Government subsidies are recognised as an accrual based on actual resident/client classifications, with any adjustments required being made upon receipt of funds from the Government.

In-home care brokered services is where a provider sources and co-ordinates care services or purchases goods, equipment and assistive technology from a third party. The cost of the brokered service charged by the third party is recognised as an expense (see other expenses) and correspondingly revenue (see other revenue), with no impact on profit and loss.

Imputed income on RAD and bond balances for accommodation services provided to residents are accounted for as a lease under AASB 16. 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 (see operating revenue) and correspondingly interest expense (see finance costs), with no impact on profit and loss.

Retirement living

Revenue arises predominantly from deferred management fees as agreed in a single contract with the resident. Revenue from a deferred management fee is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data. The difference between revenue recognised and contractual deferred management fees earned is recognised as deferred revenue (contract liabilities).

Investment properties

Lease income is recognised on a straight-line basis over the lease term.

Interest income

Interest 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.

2 Summary of material accounting policies (continued)

(k) Goods & services tax

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

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

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

(l) Income tax

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

(m) Financial instruments

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

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

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

A financial instrument is recognised if the Entity becomes a party to the contractual provisions of the instrument. Financial assets are de recognised if the Entity's contractual rights to the cash flows from the financial asset expire, the Entity has transferred substantially all risks and rewards related to the asset or the entity no longer has control of the asset.

Purchases and sales of financial assets are accounted for at trade date, i.e. the date the Entity commits itself to purchase or sell the asset. A financial liability is de recognised if the Entity's obligations specified in the contract expire or are discharged or cancelled.

Accounting for finance income and expenses is described in Note 2 (p).

Instruments measured at amortised cost

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

Instruments measured at fair value through profit or loss

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

Other

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

(n) Finance income and expenses

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

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

(o) Investment property

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

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

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

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

(p) Impairment of financial assets

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become

credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

(q) Fair value measurement

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

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(r) Impairment of non-financial assets

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

2 Summary of material accounting policies (continued)

(r) Impairment of non-financial assets (continued)

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

(s) 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.

(t) New, revised or amended accounting standards and Interpretations adopted

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

There have been no new or revised accounting standards which materially impacted the financial report. Standards not yet applicable are not expected to have a material impact on the Entity.

3 Critical accounting estimates and judgements

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

Lease term

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

Incremental borrowing rate

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

Employee provision

The liability for employee benefits expected to be settled more than 12 months from the reporting dater 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.

Employee insurance provision

The self insurance provision relates to claims under the Aged Care Employers Self Insurance Group of which Sundale was a member of until 31 March 2024 (See note 17).

Impairment of non-financial assets

The entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Maximum permissible interest rate

The entity has determined the use of the Maximum Permissible Interest Rate ("MPIR") as the interest rate to be used in the calculation of the Imputed DAP Revenue on RAD and Bond balances. The MPIR is a rate set by the Government and is used to calculate the Daily Accommodation Payment applicable to residents.

Investment property valuation

Investment property is initially measured at cost, including transactions costs and subsequently at fair value with any change therein recognised in the statement of profit and loss. The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value of properties are calculated using a combination of market sales comparisons, discounted cash flows and capitalisation rates.

The fair values are a best estimate but may differ to actual sales price if the properties were to be sold. The key judgements for each valuation method are explained below.

Direct comparison approach: Utilises recent sales of comparable properties, adjusted for any differences including the nature, location, town planning/zoning, flooding and environmental impediments.

Discounted cash flow (DCF): Projects a series of cashflows over the properties life and a terminal value, discounted using a discount rate to give the present value.

The projected cash flows incorporate expected rental income (based on contracts or market rates), operating costs, lease incentives, lease fees, capital expenditure and a terminal value from selling the property. The terminal value is calculated by applying the terminal yield to the net market income. The discount rate is a market rate reflecting the risk associated with the cash flows, the nature, location and tenancy profile of the property relative to comparable investment properties and other asset classes.

Capitalisation rate: The rate or yield at which the annual net income from an investment is capitalised to ascertain its capital value at a given date. The annual net income is based on contracted rents, market rents and operating costs. The capitalisation rate reflects the nature, location and tenancy profile of the property together with current market evidence and sales of comparable properties.

Investment properties under construction: There generally is not an active market for investment properties under construction (IPUC). Due to the inherent difficulty in valuing IPUC, fair value will generally be capitalised costs to date.

4 Working capital deficiency

As at 30 June 2024, the financial statements disclose prima facie a deficiency in working capital, being excess of current liabilities over current assets of \$129,628,000 (2023: deficiency \$111,471,000). This may indicate to the users that the Entity may have difficulty in paying its debts as and when they become payable. The Directors do not believe that the Entity will have difficulty in paying its debts as and when they become payable based on the following reasoning.

The probable timing for the payment of current liabilities will allow the Entity to trade normally, particularly given that accommodation payables of \$153,120,000, although classed as current in accordance with accounting standards, is not practically payable to the residents within 12 months. The resident licence contributions are not required to be paid out to the outgoing resident until the incoming residents have paid their licence contribution to the Entity (except in the rare event of the accommodation having been vacant for 18 months). The refundable accommodation deposits/bonds become payable upon the departure of aged care residents. It is unlikely that all residents would depart in the next 12 months thereby requiring a pay out of the full amount of the accommodation deposits/bonds. Historically, the average turnover of the residents (aged care and independent living units) continues to be approximately 20%. Vacant aged care beds are generally refilled within a short time. Therefore, management’s worst-case estimate, supported by historical cash flows over the last five years, of the amount likely to be payable within the next 12 months is \$6,252,000.

5 Operational revenue and other income	2024	2023
	\$'000	\$'000
Government subsidies	37,169	27,794
Client contributions	21,519	15,834
Rental revenues	2,246	1,914
Sundry operating revenue	93	197
Total revenue	61,027	45,739
Other income		
Donations	15	63
Laundry income	360	408
Grants received	299	290
Imputed interest	3,421	2,426
Sundry income	256	203
	4,351	3,390

6 Expenses and Finance income

	2024	2023
	\$'000	\$'000
Recognised in profit or loss:		
Finance costs		
Interest expense on lease liabilities	14	8
Imputed interest on RADs	3,421	2,426
Interest expense on resident accommodation payables	141	122
	3,576	2,556
Finance income		
Interest income on financial assets measured at amortised cost	397	282
Interest and dividend income on financial assets measured at fair value	4,875	1,573
Interest income on outstanding accommodation receivables	15	14
Interest income on bank accounts	837	391
	6,124	2,260
Other expenses		
Impairment of trade receivables	47	70
Meal costs	2,017	1,813
Repairs and maintenance costs	2,265	1,954
Office equipment minimum - operating lease payments	23	1
Medical costs	1,307	1,693
Brokerage services	3,386	1,779
Energy costs	1,861	1,691
Housekeeping costs	710	566
Vehicle fleet costs	135	162
Vehicle fleet - minimum operating lease payments	43	61
Clothing costs	75	55
Investment management fees	305	291
Sales commission expense	31	–
Other sundry expenses	347	320
Other costs	4,337	4,020
	16,889	14,476

6 Expenses and Finance income (continued)

	2024	2023
	\$'000	\$'000
Included within other costs (i)		
Rates and charges	613	661
Insurances	542	500
Recruitment costs	196	312
Software and licences	1,733	1,470
Management fees	253	179
Telephone	403	616
Security	375	267
Legal fees	222	15
	4,337	4,020
Depreciation, amortisation and impairment		
Depreciation of property, plant and equipment	1,510	1,533
Depreciation of right-of-use assets	208	396
Impairment of property, plant and equipment	–	128
	1,718	2,057
Superannuation expense included within employee costs		
Superannuation contribution expense	4,317	3,567

7 Operating segments

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

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

- Residential Aged Care provides services and care to the elderly within a residential based environment providing accommodation and a range of care from modest to substantial assistance for multiple morbidities.
- Retirement Living provides an environment for independent living in a communal setting with care and support services readily available if required.
- In Home Care provides in home services and care to the community across a broad spectrum of care levels.
- Investment Properties provides a range of residential rental properties and units, of which 29 are currently available under the National Rental Affordability Scheme (NRAS), as well as a small number of commercial tenancies.
- Caravan Parks provides a combination of long-term low cost and short term tourist accommodation.

Other segments relate to corporate administrative and information services and support services of catering, laundering and maintenance. These segments operate as full cost recovery passed to operating segments, except for Laundering services, which are charged at an arms length market rate.

Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation. The following tables present revenue and surplus information regarding business segments for the years ended 30 June 2024 and 30 June 2023.

	Residential Aged Care	Retirement Living	In-Home Care	Investment Properties	Caravan Parks	Other	Total
7. Operating segments (continued)							
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue and other income							
External segment revenue and other income (i)	41,705	3,193	10,560	1,659	971	16,226	74,314
Inter-segment revenue and other income	9,948	1,454	(1,220)	(194)	(145)	(9,843)	–
Total segment revenue and other income	51,653	4,647	9,340	1,465	826	6,383	74,314
Finance income	127	37	–	–	–	5,960	6,124
Finance costs	(3,568)	(2)	–	–	–	(6)	(3,576)
Depreciation, amortisation and impairment	(1,211)	(25)	(11)	(47)	(5)	(419)	(1,718)
Other material non-cash items							
Investment property revaluation	–	23,155	–	1,770	(125)	3,233	28,033
Total segment comprehensive income	(6,342)	23,295	635	2,315	116	9,193	29,212
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue and other income							
External segment revenue and other income (i)	28,420	4,431	6,327	533	818	14,860	55,389
Inter-segment revenue and other income	10,967	–	610	610	–	(12,187)	–
Total segment revenue and other income	39,387	4,431	6,937	1,143	818	2,673	55,389
Finance income	41	20	–	–	–	2,199	2,260
Finance costs	(2,555)	(3)	–	–	–	2	(2,556)
Depreciation, amortisation and impairment	(1,351)	(15)	(13)	(20)	(8)	(650)	(2,057)
Other material non-cash items							
Investment property revaluation	–	21,676	–	235	(600)	1,091	22,402
Total segment comprehensive income	(12,606)	23,487	539	151	(727)	5,325	16,169

7. Operating segments (continued)

2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Main products and services							
Government subsidies	36,838	–	307	24	–	–	37,169
Client contributions	10,724	1,764	9,031	–	–	–	21,519
Sundry operating revenue	72	–	–	3	18	–	93
Revenue from contracts with customers	47,634	1,764	9,338	27	18	–	58,781
Rental revenues	–	–	–	1,438	808	–	2,246
Accommodation bond and license contribution	–	2,812	–	–	–	–	2,812
Finance income	127	37	–	–	–	5,960	6,124
Other revenue	3,892	34	2	–	–	423	4,351
(i) Total segment income	51,653	4,647	9,340	1,465	826	6,383	74,314

2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Main products and services							
Government subsidies	27,554	–	217	23	–	–	27,794
Client contributions	8,767	1,649	6,677	–	–	–	17,093
Sundry operating revenue	141	–	–	–	25	30	196
Revenue from contracts with customers	36,462	1,649	6,894	23	25	30	45,083
Rental revenues	–	–	–	1,120	794	–	1,914
Accommodation bond and license contribution	22	2,720	–	–	–	–	2,742
Finance income	41	20	–	–	–	2,199	2,260
Other revenue	2,862	42	43	–	–	443	3,390
(i) Total segment income	39,387	4,431	6,937	1,143	819	2,672	55,389

8 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Operating/trading bank accounts	18,410	16,525
Secured capital replacement fund (c)	730	707
Petty cash and cash on hand	10	10
	19,150	17,242

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	19,150	17,242

a. Non-cash financing and investing activities

Bank guarantees		
Amount unused	1,613	1,419
	1,613	1,419

b. Trust account balances

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

	2024	2023
	\$'000	\$'000
Palmwoods Retirement Community Maintenance Reserve Fund Trust Account	45	87
Rotary Retirement Community Maintenance Reserve Fund Trust Account	52	52
Nambour Retirement Community Maintenance Reserve Fund Trust Account	1	1
Coolum Beach Retirement Community Maintenance Reserve Fund Trust Account	139	158
	237	298

8 Cash and cash equivalents (continued)

c. Secured capital replacement funds

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

	2024	2023
	\$'000	\$'000
Fund for Palmwoods Retirement Community	186	180
Fund for Rotary Retirement Community	206	199
Fund for Nambour Retirement Community	106	103
Fund for Coolum Beach Retirement Community	232	224
	730	706

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

9 Trade and other receivables

	2024	2023
	\$'000	\$'000
Current		
Trade and other debtors	316	322
Resident debtors	1,710	997
Less provision for expected credit losses	(201)	(154)
	1,825	1,165

10 Financial assets

	2024	2023
	\$'000	\$'000

Current

Measured at amortised cost

Maturity within 90 days (i)	4,927	3,732
Maturity greater than 90 days	7,873	6,680
	12,800	10,412

Current financial assets are on deposit for varying terms of up to one year and terminable on notice (subject to an administration fee and/or interest rate reduction), with an effective interest rate during 2023-24 between 3.62% and 5.35% (2023: 1.10% - 5.1%).

(i) Term deposits with an original maturity date of greater than three months are classified as financial assets.

Non-current

Measured at fair value through profit or loss

Harper Bernays managed funds	59,010	54,259
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Financial assets measured at fair value through profit or loss are not held for trading and have no specified maturity date. Funds are available in accordance with the terms of the respective managed investment service agreements.

11 Other current assets

	2024	2023
	\$'000	\$'000

Current

GST tax refundable	559	515
Accrued income	860	487
Other prepayments	808	1,075
Contract assets	27	–
	2,254	2,077

Non-current

Contract assets	136	–
	136	–

12 Investment properties	2024	2023
	\$'000	\$'000
Investment properties		
Land - at fair value	75,578	63,956
Buildings - at fair value	178,413	159,965
Under construction - at cost	19,210	5,933
	273,201	229,854

Movements in carrying amounts of investment property	Land	Buildings	Under Construction	Totals
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2024				
Balance at the beginning of the year	63,956	159,965	5,933	229,854
Additions		2,037	13,277	15,314
Revaluations	11,622	16,411	–	28,033
Balance at the end of the year	75,578	178,413	19,210	273,201

a. Operating leases - lessor	2024	2023
	\$'000	\$'000
Minimum lease payments receivable but not recognised in the financial statements		
Not later than 1 year	1,213	517
Later than 1 year and less than 5 years	429	361
Greater than 5 years	–	44
	1,642	922

The Entity’s main source of rental income is derived from operation of low cost accommodation in an apartment complex and a caravan park. A motel complex is also utilised for low-cost accommodation and the Entity leases a small number of houses on land held for future development. Commercial lease income is derived from a Childcare Centre.

13 Property, plant and equipment	2024	2023
	\$'000	\$'000
Freehold land		
At cost	5,299	5,299
Buildings		
At cost	29,238	28,980
Accumulated depreciation	(21,563)	(20,939)
	7,675	8,041
Plant and equipment		
At cost	10,348	9,811
Accumulated depreciation	(7,776)	(7,152)
	2,572	2,659
Motor vehicles		
At cost	603	648
Accumulated depreciation	(590)	(618)
	13	30
Furniture and fittings		
At cost	2,882	2,191
Accumulated depreciation	(1,181)	(936)
	1,701	1,255
Total property, plant and equipment	17,260	17,284

13 Property, plant and equipment (continued)

Movements in carrying amounts of property, plant and equipment

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

	Freehold Land	Buildings	Plant and Equipment	Motor Vehicles	Furniture and Fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2024						
Balance at 1 July 2023	5,299	8,041	2,659	30	1,255	17,284
Additions	–	258	536	–	692	1,486
Depreciation expense	–	(624)	(623)	(17)	(246)	(1,510)
Balance at 30 June 2024	5,299	7,675	2,572	13	1,701	17,260

14 Right-of-use assets

	2024	2023
	\$'000	\$'000
Right-of-use plant and equipment		
At cost	371	301
Accumulated depreciation	(326)	(292)
	45	9
Right-of-use motor vehicles		
At cost	733	692
Accumulated depreciation	(569)	(488)
	164	204
Right-of-use buildings		
At cost	1,292	1,248
Accumulated depreciation	(1,270)	(1,177)
	22	71
Total right-of-use assets	231	284

Movements in carrying amounts of right-of-use assets

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

	Right-of- use plant & equipment	Right-of- use motor vehicles	Right-of-use buildings	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2024				
Balance at the beginning of year	9	204	71	284
Additions	70	41	44	155
Depreciation charge	(34)	(81)	(93)	(208)
Balance at the end of the year	45	164	22	231

See note 18 for details of leasing activities.

15 Trade and other payables	2024	2023
	\$'000	\$'000
Trade payables	1,123	1,049
Contract liabilities	542	613
Accrued payroll account	865	656
Accrued expenses	4,637	1,060
	7,167	3,378

Trade payables are normally settled between 7 and 30 days.

16 Accommodation payables

(a) Accommodation payables	2024	2023
	\$'000	\$'000
Resident licence contribution	105,743	96,613
Provision against gains on disposals of retirement living accommodation	301	289
Accommodation bonds and refundable accommodation deposits	47,938	37,439
	153,982	134,341

Resident licence contribution

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

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

Accommodation bonds and refundable accommodation deposits

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

17 Provisions	2024	2023
	\$'000	\$'000
Current		
Long service leave	1,328	1,226
Annual leave	3,162	2,810
Self-insurance	1,386	549
	5,876	4,585
Non-current		
Long service leave	588	497
Self-insurance	–	647
	6,464	1,144

	Long Service Leave	Annual Leave	Self Insurance	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2023	1,723	2,810	1,196	5,729
Raised during the year	280	2,427	1,344	4,051
Used/released	(87)	(2,075)	(1,154)	(3,316)
Balance at 30 June 2024	1,916	3,162	1,386	6,464

The self insurance provision relates to the claims under the Aged Care Employers Self-Insurance Group. Sundale ceased to be a member of it as at 31 March 2024. A self-insurance provision has been recognised relating to events occurring prior to the 31st March 2024. The provision is measured at the best estimate of the expenditure required to settle the present obligation at that date.

As at 1 April 2024 Sundale entered the Workcover Queensland (WCQ) accident insurance scheme. From this date onwards Sundale is paying a premium to WCQ who will manage and pay current and future claims. WCQ premiums are fully expensed as employee costs. As part of the transition process, both Sundale and WCQ have agreed to a joint actuarial assessment of the provision amount that will represent compensation for current and future claims relating to the events occurring prior to 31 March 2024. This amount will be invoiced and paid to WCQ during FY25 (hence the total provision is current).

Three primary actuarial methods were employed: the Chain Ladder method, Payments Per Claim Incurred and Projected Case Estimate method.

18 Lease liabilities

	2024	2023
	\$'000	\$'000
Current		
Lease liabilities	102	156
	102	156
Non-current		
Lease liabilities	111	140
	111	140

The entity leases motor vehicles, mainly for provision of In home Care services, for periods of two to four years. Options to extend these leases are rarely exercised. Printer/photocopier equipment is leased on an agreement with a term of 40 months.

	2024	2023
	\$'000	\$'000
Future lease payments		
Future lease payments are shown as follows:		
Within one year	112	167
One to five years	116	153
	228	320

19 Related parties

The Directors of the Board during the financial year were:

- Ms J Ashworth (Appointed 25 September, 2023)
- Mr I Black
- Mr B Cowling (Appointed 25 September, 2023, Not re-elected 21 November, 2023)
- Mr M Hunt
- Ms J McKay
- Mr R Morgan
- Mr T Seymour
- Ms S Walters (Not re-elected 21 November, 2023)
- Mr C Westacott

There were no transactions with Directors or parties related to Directors during the course of the financial year ended 30 June 2024 except for payment of remuneration and reimbursement of expenses.

The compensation paid to directors and key management personnel is as follows:	2024	2023
	\$	\$
Aggregate compensation	1,204,764	1,426,862

Other transactions with key management personnel

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

20 Events occurring after the reporting date

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

21 Commitments

As at 30 June 2024, capital commitments amounted to \$4,037,227 (2023: \$15,805,000). The capital commitments relate to earthworks and construction costs for the expansion of the Palmwoods retirement village.

22 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd for:

	2024	2023
	\$	\$
Audit Services		
Auditing the financial statements	79,630	82,000
Audit of compliance with the <i>Aged Care Act 1997</i>	4,750	4,500
Audit of compliance with the <i>Retirement Villages Act 1999</i> (Qld)	9,700	9,200
Total auditors' remuneration	94,080	95,700

SUNDALE LTD – DIRECTORS' DECLARATION

For the year ended 30 June 2024

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

1.

The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Australian Charities and Not for profits Commission Act 2012* and:

(a)

Comply with Australian Accounting Standards – Simplified Disclosures Requirements and the Australian Charities and Not for profits Commission Regulation 2022 (ACNC Regulation 2022); and

(b)

Give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the year ended on that date.
2.

There are reasonable grounds to believe that the company will be able to pay all of its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2022 on behalf of the directors by:



Terence Seymour

CHAIRPERSON
Sundale Ltd

Dated this twenty-first day of October 2024

Grant Thornton Audit Pty Ltd
King George Central
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Auditor’s Independence Declaration

To the Members of Sundale Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Sundale Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C D Philp
Partner - Audit & Assurance

Brisbane, 21 October 2024

Grant Thornton Audit Pty Ltd
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Independent Auditor’s Report

To the Members of Sundale Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Sundale Limited (the “Registered Entity”), which comprises the statement of financial position as at 30 June 2024, and 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 material accounting policy information and the Directors’ declaration.

In our opinion, the financial report of Sundale Limited has been prepared 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 Registered Entity’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 (including Independence Standards)* (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.

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2024, 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.

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 the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, 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 the Directors either intend to liquidate the Registered Entity or to cease operations, or have 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

C D Philp
Partner – Audit & Assurance
Brisbane, 21 October 2024




SUNDALE

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