



Annual Report 2019-20



Manor Court

WERRIBEE AGED CARE LTD

VISION STATEMENT

TO BE THE FACILITY OF CHOICE FOR RESIDENTIAL AGED CARE IN THE
WYNDHAM COMMUNITY.

MISSION & PURPOSE STATEMENT

TO PROVIDE PREMIER RESIDENT - CENTRED CARE FOR THE AGED WITHIN
OUR
HIGH-QUALITY FACILITIES.

OUR VALUES - WE CARE

WYNDHAM FOCUS
ENGAGEMENT ... WITH STAKEHOLDERS
COMMUNITY OWNERSHIP
ACCOUNTABILITY ... OF STAFF, SERVICE PROVIDERS, MANAGEMENT
RESPECT ... FOR RESIDENTS, FAMILIES AND STAFF
EXCELLENCE ... IN ALL WE DO



Chairperson's Message

We had grand plans for 2019/20, with the completion of the refurbished Knight and Gardiner Memory Support Unit in late 2018/19 and plans were underway to upgrade the Rotary Dining Room and adjoining courtyard. We had been working with architects to create a new indoor/outdoor space for residents and a builder had been appointed to undertake the works, as well as an upgrade to our kitchen and laundry facilities.

Unfortunately, like many other industries, 2020 threw us a curve ball and I don't think we will ever see Aged Care facilities operate in the same way again after the outbreak of Covid-19. Whilst this presented a range of challenges for the Board, management and staff - we are incredibly proud of how Manor Court's broader community of residents and their families have handled this incredibly difficult time.

Ensuring the safety of our residents has remained the utmost priority and decisions were made in March 2020 (prior to Government mandated controls) that I believe protected our facility from infection and I would like to thank my fellow Board members for their support in relation to these matters. Manor Court's Management team has worked around the clock over the last six months to ensure the facility continues to be 'COVID-Free' and I sincerely thank them for their efforts to date. The pressure on staff as result of the pandemic has been enormous, not only due to the additional PPE requirements but the stress associated with the fear of unknowingly infecting residents. Carrying this burden when going to work everyday is significant and we wish to thank all staff for their cooperation and leadership during this time.

The new 'COVID' environment has challenged us to think different about service delivery and this has certainly been the silver lining to this catastrophic situation. We encouraged greater interaction using mobile technologies and families who have not previously been able to visit due to geographical constraints now have more options, we changed the way we communicated with families and we now think very differently about infection control. All of these things will continue into the future.

As we head into 2020/21 the future is bright despite the year we have just had. As Victoria heads out of 'lockdown' we look forward to welcoming families back into the facility, albeit in our new Covid-normal' environment. Financially, Manor Court continues to hold it's own in a very difficult industry and this enables us to significantly invest back into the facility to ultimately provide the best possible quality of life for our residents and their families.

EMILY KEOGH
CHAIRMAN



Chief Executive Message

What a whirlwind year it has been, navigating through COVID has been challenging for all. In the aged care sector we quickly had to adapt on a daily basis to new information, infection control requirements and processes that would enable us to keep Manor Courts residents and staff safe and to date we have been able to stay COVID-free. I feel Manor Court acted quickly in our response against COVID and implemented many processes above and beyond suggested requirements which has put us in a good position going forward.

Firstly, a huge Thank you to all the resident's and their families who make Manor Court so special they have brightened up everyday through their quick adaption to all things COVID, from technology for communication, their engagement, input in decisions and well-wishes.

Our response rate and the outcome of our recent family survey was outstanding, the survey showed that 97.73% of families were extremely happy with how Manor Court handled the pandemic in relation to processes and implementation. 97.73% of respondents felt Manor Court kept their loved ones safe from COVID. And 93.2% of respondents were happy with the level of information and communication with the facility, families and residents.

I am beyond proud of Manor Court's staff for their dedication and support this year, their resilience and adjustment during the pandemic has been outstanding. Their commitment to Manor Court is shown through the numbers as at 30th June we had 98 staff members at Manor Court, with an average tenure of 7.15 years, 22.7% of the staff have service > 10 years and 10.7% of staff have service > 15 years.

This year not only presented COVID challenges to overcome but has been characterised by significant external, media, political and social factors including the introduction of new Aged Care Standards from July 1st, and the Royal Commission into Aged Care Quality and Safety, increased requirements for infection control and a focus in the industry of inadequate government funding for residential aged care providers.

However regardless of this current challenging environment we continue to focus whole heartedly on the well-being of our residents and in February 2020, we developed Manor Courts strategic plan for 2020-2023 to guide and set us on a plan of capital refurbishments and operational improvements across the facility. Due to COVID our capital plans had to be shelved temporarily, however we have made significant progress into the operational improvements including how we communicate with families, residents and staff to introduction of a new lifestyle team and activities to name a few.

Manor Courts Financial Position for 2019/20 had a consolidated result equated to a surplus of \$333,388. COVID financial assistance was received and recorded accordingly from the Federal Government in the financial year. This assistance will continue to support Manor Court going forward in our efforts against COVID and will continue to allow Manor Court to reinvest back into the facility.

Chief Executive Message

Our focus and outlook on 2020/21 is positive, we will refocus on capital developments later in the year, prepare for our accreditation based on the new standards and continue to make improvements across the facility.

I acknowledge and thank our volunteers who have assisted during the 2019/20 year. To Manor Court's Executive Leadership Team who have assisted me in leading the organisation with great dedication and commitment especially through the COVID pandemic, I am extremely grateful for the tremendous support they have provided me. Two of Manor Court's long standing Board Members Ross Smith and Ian Hovey retired from their positions during the year and we thank them for their contributions, I also want to thank the members of Manor Court's Board for their strong guidance and unwavering support this year.

This year has been one of great challenges and change and I look to the future at Manor Court with hope and excitement.

CARLIE KILIKAS
CHIEF EXECUTIVE OFFICER

STATISTICS

87.2%



Manor Courts average occupancy
(impacted by COVID)

100%

of Manor Courts staff and
residents received the flu
vaccination.



Employees

Avg Employment Length 7.15 Years

10.7% of Employees have a
service length of **>15 Years**



95,756
main meals were served

22.7% of Employees have a
service length of **>10 Years**

97.73% of families felt Manor Court kept their loved ones
safe from COVID

93.2% of families happy with level of
communication during COVID

5605

the total number of lifestyle
hours dedicated to our residents

Manor Memories



*Manor Court Werribee Aged Care
Audited Financial Statements
2019-20*

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Financial Statements

For the Year Ended 30 June 2020

Manor Court Werribee Aged Care Ltd

ABN: 51 085 301 713

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Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Directors' Report

30 June 2020

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2020.

(a) General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ms E C Keogh

Qualifications

Bachelor of Arts (Journalism), Bachelor of Laws, Diploma of Frontline Management

Experience

Wyndham City, Manager Corporate Affairs; 8 years' experience in residential aged care

Special responsibilities

Chairman of the Board since 01 December 2017

Dr C Scott

Qualifications

BSc (Hons) Chem Eng, GDipEd, GDipCInfSc, Msc, PhD, BA, AMFBAA, QPIA

Experience

11 years' experience in residential aged care

Special responsibilities

Deputy Chairperson since 01 December 2017

Mr I S Knight OAM

Qualifications

Investor

Experience

40 years' experience in residential aged care

Mr R A Smith

(Resigned on 24/12/2019)

Qualifications

Dip Bus Accounting, FCPA, FCIS, AICD

Experience

23 years' experience in residential aged care

Special responsibilities

Managing Director

Mr N Tsardakis

Qualifications

Experience

20 years' experience as a director in residential aged care and 30 years' experience in Banking, Capital Markets and Financial Services and Philanthropy

Mrs K Munton

Qualifications

BNurs, GradCertAdvNurs, CertIVWkTrainAssess, Graduate Certificate in Management (Health Leadership)

Experience

25 years in Hospitals and Aged Care incorporating clinical nursing, staff development and hospital management, 5 years' experience in residential aged care

Mr I S Hovey

(Resigned on 20/05/2020)

Qualifications

Diploma of Business Studies (EDP) - Gordon Institute of Technology

Experience

42 years as an IT professional in mining, banking, manufacturing and local government. 4 years' experience in residential aged care

Mrs N Whiting

Qualifications

Peri Operative Educator – Registered Nurse

Manor Court Werribee Aged Care Ltd

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Directors' Report

30 June 2020

(a) General information

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of the Group during the financial year was the provision of residential aged care services.

No significant change in the nature of these activities occurred during the year.

Short term objectives

The Group's short-term objectives are to:

- continue to market our facility and achieve and maintain full occupancy.
- ensure the financial viability of the business.
- meet the requirements of the Aged Care Act 1997, for accreditation of the facility and its buildings.

Long term objectives

The Group's long-term objectives are to:

- maintain and upgrade our buildings to meet the demands of the next generation of residents.
- ensure the financial viability of the business.

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- focus on retention and continuity of our senior management staff.
- alliances with training organisations to train nursing staff at our facility. This gives us access to a regular supply of quality staff.
- continuous review and improvement in processes and policies, and ensuring our work for residents and staff continue to align to our values and community.

Manor Court Werribee Aged Care Ltd

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Directors' Report

30 June 2020

(a) General information

Performance measures

The following measures are used within the Group to monitor performance:

- financial performance to budgets.
- compliance with the 8 aged care accreditation standards.
- internal audits of processes and practices.
- feedback from residents and families about the quality of the services provided.
- achieving and maintaining full occupancy.
- measurement against aged care indicators clinical and non-clinical and industry reporting.

Members guarantee

Manor Court Werribee Aged Care Ltd is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 0.50, subject to the provisions of the Company's constitution.

At 30 June 2020, the collective liability of members was \$35 (2019: \$ 35).

(b) Operating results and review of operations for the year

Operating results

The consolidated surplus of the Group amounted to \$ 334,388 (2019: \$ 432,338).

(c) Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

The Company has been working to adapt its operations to the ever changing Covid-19 environment that is still ongoing, including ensuring compliance with all Victorian and Commonwealth Government announcements and lockdown regulations.

Apart from the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Manor Court Werribee Aged Care Ltd

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Directors' Report

30 June 2020

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr C Scott	11	11
Ms E C Keogh	11	11
Mr I S Knight OAM	11	11
Mr R A Smith	11	10
Mr N Tsardakis	11	10
Mrs K Munton	11	10
Mr I S Hovey	11	10
Mrs N Whiting	11	10

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Manor Court Werribee Aged Care Ltd.

Proceedings on behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2020 has been received and can be found on page 6 of the consolidated financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Ms E C Keogh

Director:



Dr C Scott

Dated this 08 day of OCTOBER 2020

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

NAPS ID: 823

Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Manor Court Werribee Aged Care Ltd and Controlled Entity

As lead audit partner for the audit of the financial statements of Manor Court Werribee Aged Care Ltd for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Nexia Melbourne Audit Pty Ltd
Melbourne



Geoff S. Parker
Director

Dated this 8th day of October 2020

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the Year Ended 30 June 2020**

		2020	2019
	Note	\$	\$
Revenue	5	7,925,647	7,700,075
Other income	5	270,735	285,860
		8,196,382	7,985,935
Employee benefits expense	6	(6,093,616)	(5,840,699)
Depreciation expense	6	(389,780)	(370,269)
Catering expense		(344,487)	(317,602)
Medical supplies		(236,190)	(278,649)
Insurance		(39,537)	(36,843)
Repairs and maintenance		(104,033)	(91,315)
Occupancy		(173,310)	(170,930)
Telephone expenses		(27,881)	(32,183)
Cleaning expenses		(60,669)	(65,153)
Accounting & compliance costs		(34,863)	(34,782)
Other expenses		(323,738)	(286,441)
Finance costs	6	(33,889)	(28,731)
Total Expenses		(7,861,994)	(7,553,597)
Surplus for the year		334,388	432,338
Revaluation of financial assets		133,795	251,687
Loss on disposal of financial assets		-	(116,554)
Other comprehensive income for the year, net of tax		-	135,133
Total comprehensive income for the year		468,183	567,471
Profit attributable to:			
Members of the parent entity		468,183	432,338
Total comprehensive income attributable to:			
Members of the parent entity		468,183	567,471

The accompanying notes form part of these financial statements

Manor Court Werribee Aged Care Ltd

ABN: 61 086 301 713

**Consolidated Statement of Financial Position
As At 30 June 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,438,289	1,798,614
Trade and other receivables	8	112,723	150,624
Other financial assets	9	151,632	148,709
Other assets	10	780,556	74,647
TOTAL CURRENT ASSETS		3,483,200	2,172,594
NON-CURRENT ASSETS			
Property, plant and equipment	11	13,282,158	13,432,755
Other assets	10	3,745,559	3,332,985
TOTAL NON-CURRENT ASSETS		17,027,717	16,765,740
TOTAL ASSETS		20,510,917	18,938,334
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	10,114,189	9,063,890
Employee benefits	13	696,631	689,774
TOTAL CURRENT LIABILITIES		10,810,820	9,753,664
NON-CURRENT LIABILITIES			
Employee benefits	13	232,538	185,294
TOTAL NON-CURRENT LIABILITIES		232,538	185,294
TOTAL LIABILITIES		11,043,358	9,938,958
NET ASSETS		9,467,559	8,999,376
EQUITY			
Reserves		5,324,175	5,190,380
Retained earnings		4,143,384	3,808,996
TOTAL EQUITY		9,467,559	8,999,376

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020**2020**

	Retained Earnings	Capital Surplus Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2019	3,808,996	1,138,693	4,051,687	8,999,376
Total other comprehensive income for the period	-	-	133,795	133,795
Surplus for the year	334,388	-	-	334,388
Balance at 30 June 2020	4,143,384	1,138,693	4,185,482	9,467,559

2019

	Retained Earnings	Capital Surplus Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2018	3,493,212	1,138,693	3,800,000	8,431,905
Surplus for the year	432,338	-	-	432,338
Total other comprehensive income for the period	-	-	135,133	135,133
Transfer to retained earnings	(116,554)	-	116,554	-
Balance at 30 June 2019	3,808,996	1,138,693	4,051,687	8,999,376

a. Asset Revaluation Reserve

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

b. Capital Surplus Reserves

The capital surplus reserve records realised gains on sale of non-current assets.

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

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Consolidated Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		7,922,052	7,620,336
Payments to suppliers and employees		(8,104,644)	(7,204,103)
Government covid-19 relief		62,500	-
Interest received		85,684	104,468
Interest paid		(22,655)	(34,888)
Net cash provided by operating activities		(57,063)	485,813
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of financial assets		142,450	-
Payments for financial assets		(421,229)	(3,197,852)
Purchase of property, plant and equipment		(239,184)	(570,629)
Dividends received		164,048	203,107
Net cash used in investing activities		(353,915)	(2,237,955)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net accommodation bonds received/(paid)		1,063,576	97,894
Repayment of borrowings		-	(125,000)
Net cash provided by/ (used in) financing activities		1,063,576	(27,106)
Net increase/(decrease) in cash and cash equivalents held		642,588	(3,106,667)
Cash and cash equivalents at beginning of year		1,947,323	5,053,990
Cash and cash equivalents at end of financial year	7	2,589,921	1,947,323

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2020

The consolidated financial report covers Manor Court Werribee Aged Care Ltd and its controlled entities ('the Group'). Manor Court Werribee Aged Care Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The consolidated financial report was authorised for issue by the Directors on 1 October 2020.

Comparatives are consistent with prior years, unless otherwise stated.

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest dollars.

1 Basis of Preparation

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

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

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

2 Change in Accounting Policy

Revenue and Income- Adoption of AASB 15 and AASB 1058

The Company has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. Any adjustments required on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Company's accounting policies are summarised in note 3 (c).

Impact of adoption of AASB 15 and AASB 1058

The adoption of AASB 15 and AASB 1058 had no impact on the financial statement line items compared to previous standards for the current year.

Leases - Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2020 has not been restated.

The Company as lessor – residential aged care

Due to the changes in AASB 16 of how a lease is identified, resident accommodation agreements could be considered a lease under AASB 16. The Company has concluded that the lease term for these arrangements is short term (being the notice period required from a resident upon departure) and therefore the application of AASB 16 to these

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2020

agreements does not have a material impact on the recognition and measurement of revenue.

Impact of adoption of AASB 16

The Company does not have any leases. The impact has been assessed as nil.

3. Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 17 to the financial statements.

(b) Income Tax

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

(c) Revenue and other income

Grant income and subsidies

Grant income and subsidies are recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant or subsidy, it is probable that the economic benefits gained from the grant or subsidy will flow to the entity and the amount can be measured reliably.

When grant income or a subsidy is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant or subsidy is recognised as income on receipt.

When the Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from contracts with customers

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

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

**Notes to the Financial Statements
For the Year Ended 30 June 2020**

3. Summary of Significant Accounting Policies continued

Revenue from contracts with customers continued

exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Specific revenue streams

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

Government subsidies

Revenue received from government subsidies is recognised at fair value when the right to receive the income is established.

Provision of services

Revenue from the provision of accommodation and care services (resident fees) is recognised upon delivery of the services to the resident.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies continued

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

(e) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings are measured using the revaluation model.

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	7.5 - 33.3%
Motor Vehicles	20%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Financial instruments

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

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies continued

(f) Financial instruments continued

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

Financial assets

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

Classification

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

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies continued

(f) Financial Instruments continued

Financial assets continued

Fair value through other comprehensive income

Equity instruments

The Group has a number of investments in listed entities over which they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

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

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Manor Court Werribee Aged Care Ltd

ABN: 61 088 301 713

Notes to the Financial Statements
For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies continued

(f) Financial instruments continued

Financial assets continued

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

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

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

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

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

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

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

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the nominal amount.

(j) Accommodation bonds

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

This includes Refundable Accommodation Deposits which are held in accordance with the Living Longer Living Better amendments to the *Aged Care Act 1997*.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies continued

(k) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(l) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

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

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

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2020

3. Summary of Significant Accounting Policies continued

(l) Leases continued

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date.

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

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

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

Exceptions to lease accounting

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

4 Critical Accounting Estimates and Judgments

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

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

Key judgments – Government subsidies and grant income

For any subsidies and grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the Company, review of the proposal documents prepared during the application phase and consideration of the terms and conditions.

Grants and subsidies received by the Company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

Key estimates - Impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

**Notes to the Financial Statements
For the Year Ended 30 June 2020****5 Revenue and Other Income**

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Care funding government contribution	5,750,645	5,497,833
- Daily care fees	1,933,371	1,924,547
- Accommodation bond retention	-	7,613
- Other revenue	241,631	270,082
	7,925,647	7,700,075
Other income		
- Dividend income	133,044	203,106
- Interest received	75,191	82,754
- Government covid-19 relief payments	62,500	-
Total other income	270,735	285,860
Total Revenue and Other Income	8,196,382	7,985,935

Unsatisfied performance obligations**Note**

Fees in advance

13

\$52,474**\$58,241**

The above shows the aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations resulting from fees received in advance.

6 Result for the Year

The result for the year was derived after charging the following items:

Finance Costs

Financial liabilities measured at amortised cost:

- Interest paid

33,889**28,731**

The result for the year includes the following specific expenses:

Other expenses:

Employee benefits expense

6,093,616

5,840,699

Depreciation expense

389,780

370,269

- Bad debts

1,295

967

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements
For the Year Ended 30 June 2020**7 Cash and Cash Equivalents**

	2020	2019
Note	\$	\$
Cash at bank and in hand	2,438,289	1,798,614

Reconciliation of cash

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

Cash and cash equivalents	2,438,289	1,798,614
Term deposits	151,632	148,709
Balance as per consolidated statement of cash flows	2,589,921	1,947,323

8 Trade and Other Receivables**CURRENT**

Trade receivables	22,100	24,041
	22,100	24,041
GST receivable	1	-
Other receivables	90,622	126,583
	112,723	150,624

9 Other financial assets**CURRENT**

Term deposits	151,632	148,709
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10 Other Assets**CURRENT**

Prepayments	780,556	74,647
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NON-CURRENT

Investments	3,745,569	3,332,985
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Manor Court Werribee Aged Care Ltd

ABN: 51 088 381 713

**Notes to the Financial Statements
For the Year Ended 30 June 2020****11 Property, plant and equipment****LAND AND BUILDINGS**

Freehold land

At fair value

17 **4,820,000** 4,820,000

Buildings

At fair value

10,750,715 10,750,715

Accumulated depreciation

(3,264,335) (3,028,433)

Total buildings

7,486,380 7,722,282

Total land and buildings

12,306,380 12,542,282**PLANT AND EQUIPMENT**

Plant and equipment

At cost

993,606 893,556

Accumulated depreciation

(707,219) (593,097)

Total plant and equipment

286,387 300,459

Furniture, fixtures and fittings

At cost

1,545,271 1,406,138

Accumulated depreciation

(855,880) (816,124)

Total furniture, fixtures and fittings

689,391 590,014

Motor vehicles

At cost

52,060 52,060

Accumulated depreciation

(52,060) (52,060)

Total motor vehicles

- -

Total plant and equipment

975,778 890,473

Total property, plant and equipment

13,282,158 13,432,755

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Property, plant and equipment continued

Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Balance at the beginning of the year	4,820,000	7,722,282	300,459	590,014	13,432,755
Additions			100,050	139,133	239,183
Depreciation expense		(235,902)	(114,122)	(39,756)	(389,780)
Balance at the end of the year	4,820,000	7,486,380	286,387	689,391	13,282,158

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 30 June 2019					
Balance at the beginning of the year	4,820,000	7,955,478	263,307	193,809	13,232,394
Additions		3,800	138,450	428,379	570,629
Depreciation expense		(236,996)	(101,298)	(31,974)	(370,268)
Balance at the end of the year	4,820,000	7,722,282	300,459	590,014	13,432,755

12 Trade and other payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	80,106	111,753
Sundry payables and accrued expenses	233,557	199,419
Accommodation bonds	9,748,053	8,694,477
Income received in advance	52,474	58,241
	10,114,189	9,063,890

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- total current

10,114,189 9,063,890

Less:

- amounts received in advance

(52,474) (58,241)

Financial liabilities as trade and other payables

10,061,715 9,005,649

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2020

12 Trade and other payables continued

No collateral has been pledged for any of the trade and other payable balances.

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Annual leave	410,922	319,858
Long service leave	285,709	369,916
	<u>696,631</u>	<u>689,774</u>
Non-current liabilities		
Long service leave	232,538	185,294

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 0.50 each towards meeting any outstanding obligations of the Company. At 30 June 2020, the number of members was 70 (2019: 70).

15 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company and the Group is \$ 591,375 (2019: \$ 564,287).

16 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2020	Percentage Owned (%) [*] 2019
Subsidiaries:			
Manor Court Management Services Pty Ltd	Australia	100	100

^{*}The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Manor Court Werribee Aged Care Ltd

ABN: 51 068 301 713

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment

Property, Plant and Equipment

The Group's land and buildings were revalued by an independent valuer. Valuations were made using the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The revaluation surplus was credited to an asset revaluation reserve in equity. The valuation was performed by PP&E Valuations Pty Limited, dated 18 May 2018.

18 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2020 (30 June 2019: None).

19 Related Parties

- (a) The Group's main related parties are as follows:

Key management personnel - refer to Note 15.

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

- (b) Transactions with related parties

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

Apart from the remuneration to key management personnel, the Company did not have any transactions with related parties during the year ended 30 June 2020 (30 June 2019: None).

20 Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Notes to the Financial Statements For the Year Ended 30 June 2020

20 Operating Segments continued

Segment performance

	Residential Aged Care		Independent Living Units		Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Revenue and other income	7,992,437	7,870,047	141,441	115,888	8,133,878	7,985,935
Depreciation expense	(377,734)	(358,467)	(12,046)	(11,622)	(389,780)	(370,089)
Employee benefits expense	(6,035,586)	(5,840,641)	-	-	(6,035,586)	(5,840,641)
Repairs and maintenance	(99,629)	(83,915)	(4,408)	(7,400)	(104,037)	(91,315)
Other expenses	(1,301,156)	(1,222,364)	(31,351)	(29,130)	(1,332,507)	(1,251,494)
Segment results	178,332	364,602	93,636	67,736	271,968	432,338
Govt. covid-19 relief					62,500	
	178,332	364,602	93,636	67,736	334,468	432,338

Segment assets

Segment assets	17,465,149	15,893,333	3,045,000	3,045,000	20,510,149	18,938,333
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Segment liabilities

Segment liabilities	11,042,596	9,938,958	-	-	11,042,596	9,938,958
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21 Parent entity

The following information has been extracted from the books and records of the parent, Manor Court Werribee Aged Care Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Manor Court Werribee Aged Care Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the parent entity.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

**Notes to the Financial Statements
For the Year Ended 30 June 2020****21 Parent entity continued**

	2020	2019
	\$	\$
Statement of Financial Position		
Assets		
Current assets	3,559,502	3,500,013
Non-current assets	16,951,415	15,438,320
Total Assets	20,510,917	18,938,333
Liabilities		
Current liabilities	10,810,820	9,753,663
Non-current liabilities	232,538	185,294
Total Liabilities	11,043,358	9,938,957
Equity		
Retained earnings	4,143,384	3,808,996
Revaluation surplus	3,800,000	3,800,000
General reserve	1,624,175	1,390,380
Total Equity	9,467,559	8,999,376

Guarantees

Manor Court Werribee Aged Care Ltd has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiary.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2020 or 30 June 2019.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2020 or 30 June 2019.

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

**Notes to the Financial Statements
For the Year Ended 30 June 2020**

22 Events after the end of the Reporting Period

The Company has been working to adapt its operations to the ever changing Covid-19 environment that is still ongoing, including ensuring compliance with all Victorian and Commonwealth Government announcements and lockdown regulations.

Apart from the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

23 Company Details

The registered office of and principal place of business of the Company is:
Manor Court Werribee Aged Care Ltd
5 Hogan Grove
Werribee VIC 3030

Manor Court Werribee Aged Care Ltd


ABN: 51 088 301 713

Independent Audit Report to the members of Manor Court Werribee Aged Care Ltd

The directors of the Company declare that, in their opinion:

1. The consolidated financial statements and notes, as set out on pages 6 to 28, are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a. complies with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*; and
 - b. gives a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company and controlled entity.
2. There are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and Regulation 60-15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.


Director
Ms E C Keogh


Director
Dr C Scott

Dated this 08 day of OCTOBER 2020

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713 NAPS ID: 823

**Independent Auditor's Report to the Members of Manor Court
Werribee Aged Care Ltd****Report on the Audit of the Financial Report*****Opinion***

We have audited the financial report of Manor Court Werribee Aged Care Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Manor Court Werribee Aged Care Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Directors' responsibility for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

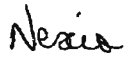
Auditor's responsibility for the audit of the financial report

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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Nexia Melbourne Audit Pty Ltd
Melbourne



Geoff S. Parker
Director

Dated this 8th day of October 2020

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713 NAPS ID: 823

Independent Auditor's Report to the Directors of Manor Court Werribee Aged Care Ltd and the Secretary of the Department of Health**Report on Manor Court Werribee Aged Care Ltd's compliance with the Aged Care Act 1997 and the Fees and Payments Principles 2014 (No.2).**

We have audited the compliance of Manor Court Werribee Aged Care Ltd with the requirements of Part 5 of the *Fees and Payments Principles 2014 (No.2)* (Fees and Payments Principles) for the period 1 July 2019 to 30 June 2020.

Opinion

In our opinion, Manor Court Werribee Aged Care Ltd has complied, in all material respects, with the requirements of Part 5 of the *Fees and Payments Principles 2014 (No.2)* for the period 1 July 2019 to 30 June 2020.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Guide, we are required to report all instances of non-compliance with the requirements of the Act and the Fees and Payments Principles by Manor Court Werribee Aged Care Ltd that came to our attention during the course of our audit.

No instances of non-compliance with the requirements of the Act and the Fees and Payments Principles by Manor Court Werribee Aged Care Ltd have come to our attention during the course of our audit.

Directors' Responsibility

The directors of Manor Court Werribee Aged Care Ltd are responsible for compliance with the Act and the Fees and Payments Principles and for such internal control as the directors determine is necessary for compliance with the Act and the Fees and Payments Principles. The responsibilities of the directors include requirements under the Act and the Fees and Payments Principles for the preparation and presentation of the Annual Prudential Compliance Statement (APCS) and compliance with the Prudential Standards contained within the Fees and Payments Principles.

Auditor's Responsibility

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

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

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

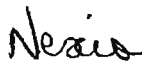
Use of Report and Restriction on Distribution

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

Inherent Limitations

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

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



Nexia Melbourne Audit Pty Ltd
Melbourne



Geoff S. Parker
Director
Registration Number: 291969

Dated this 16th day of October 2020



