

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Financial Statements

For the Year Ended 30 June 2022

Manor Court Werribee Aged Care Ltd

ABN: 51 088 301 713

Contents

For the Year Ended 30 June 2022

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Manor Court Werribee Aged Care Ltd

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Directors' Report

30 June 2022

The directors present their report on Manor Court Werribee Aged Care Ltd for the financial year ended 30 June 2022.

(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:

Dr C Scott

Qualifications BSc (Hons) Chem Eng, GDipEd, GDipClnfSc, Msc, PhD, BA, GradDip Arts (Russian Studies)

Experience 11 years experience in residential aged care

Special responsibilities Deputy Chairperson from 2010 to 2013, Chairperson of the Board from 2013 to 2017, Deputy Chairperson of the Board since 01 December 2017. Joint Chairperson of the Board from 1 January 2022

Mr N Tsardakis

Experience 22 years experience as a Director in residential aged care with Manor Court Werribee Aged Care Ltd.(3 years as Chair). 30 years experience in Corporate Banking, Capital Markets and Corporate Services with ANZ banking Group Ltd. 3 years Director Town & Country Bank Limited. Founding Director of Wyndham Health Foundation in 1973. (10 years as Chair)

Special responsibilities Joint Chairperson of the Board from 1 January 2022

Mrs K Munton

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

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

Mr I S Knight OAM

Qualifications Investor

Experience 50 years' experience in residential aged care. Chairperson of the Board for 14 years

Mrs N Whiting

Qualifications BNurs, Diploma in Community Nursing, Certificate in Peri- Operative Nursing, Certificate in Immunisation, Diploma of Management, Certificate IV in Training and Assessment, Advanced Life Support Trainer and Certificate in Clinical Governance 30 years in Health Care – Critical care/ Education. Currently Quality coordinator Mercy Health. 6 years Board Experience on both Werribee Hospital Foundation & Manor Court.

Mr S Taylor

Qualifications Post Grad. Dip. Business, Organisational Change & Development

Experience 30 years cross industry experience including entertainment, sport, ageing & disability services, education & training. Expertise in business troubleshooting, planning for growth, service delivery and customer engagement

Mr I Ahmed

Qualifications Business and financial acumen

Experience 25 years' experience in agricultural business, sustainability, development and diversification. Past and current governance experience on the Victorian Farmers Federation Board as both a Director and President of a commodity group.

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Directors' Report

30 June 2022

Ms E C Keogh

Qualifications

Experience

Special responsibilities

Resigned on 30/12/2021

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

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

Chairperson of the Board since 1 December 2017

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

Principal activities and significant changes in nature of activities

The principal activities of Manor Court Werribee Aged Care Ltd during the financial year was provision of residential aged care services.

No significant changes in the nature of the Company's activities occurred during the financial year.

Short term objectives

The Company'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 Company'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 Company has adopted the following strategies:

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

Performance measures

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

- financial performance to budgets.

Manor Court Werribee Aged Care Ltd

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Directors' Report

30 June 2022

Performance measures (Continued)

- 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 2022 the collective liability of members was \$18 (2021: \$35).

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

Operating results

The loss of the Company after providing for income tax amounted to (\$804,941) (2021 profit: \$103,468).

Other items

Significant changes in state of affairs

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

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Company 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 Company.

Environmental matters

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

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Directors' Report

30 June 2022

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
Mrs K Munton	11	11
Mr I S Knight OAM	11	11
Mr N Tsardakis	11	11
Mrs N Whiting	11	11
Mr S Taylor	11	10
Mr I Ahmed	11	11
Mr E C Keogh	5	4

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 2022 has been received and can be found on page 5 of the financial report.

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

Director: _____

Director: _____

Dated this 29th day of September 2022

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

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 2022, 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



Richard S. Cen
Director

Dated this 29th day of September 2022

Manor Court Werribee Aged Care Ltd

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	5	7,581,181	7,917,582
Other income	5	924,797	823,536
Total Income		8,505,978	8,741,118
Employee benefits expenses	6	(6,829,251)	(6,651,712)
Depreciation expense	6	(393,574)	(395,566)
Catering expense		(307,883)	(337,014)
Medical supplies		(350,977)	(267,999)
Insurance		(54,829)	(43,778)
Repairs and maintenance		(109,442)	(129,415)
Occupancy		(187,765)	(169,730)
Telephone		(23,002)	(31,841)
Cleaning		(60,926)	(85,057)
Accounting & compliance		(58,508)	(48,067)
Other expenses		(910,182)	(462,057)
Finance costs	6	(24,580)	(15,413)
Total Expenses		(9,310,917)	(8,637,649)
(Loss) / Profit before income tax		(804,941)	103,469
Income tax expense	3(b)	-	-
(Loss) / Profit for the year		(804,941)	103,469
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of non-current assets		618,520	-
Revaluation of financial assets		(1,047,413)	892,526
Profit on disposal of financial assets		504,551	304,721
Other comprehensive income for the year, net of tax		75,658	1,197,247
Total comprehensive (loss) / income for the year		(729,283)	1,300,716

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

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Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	251,276	875,870
Trade and other receivables	8	212,208	203,790
Other assets	10	132,370	122,616
TOTAL CURRENT ASSETS		595,854	1,202,276
NON-CURRENT ASSETS			
Property, plant and equipment	9	15,391,485	14,006,921
Other financial assets	11	2,878,213	5,059,693
TOTAL NON-CURRENT ASSETS		18,269,698	19,066,614
TOTAL ASSETS		18,865,552	20,268,890
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	7,622,510	8,334,325
Employee benefits	13	1,036,295	988,657
TOTAL CURRENT LIABILITIES		8,658,805	9,322,982
NON-CURRENT LIABILITIES			
Employee benefits	13	167,755	177,633
TOTAL NON-CURRENT LIABILITIES		167,755	177,633
TOTAL LIABILITIES		8,826,560	9,500,615
NET ASSETS		10,038,992	10,768,275
EQUITY			
Reserves	18	6,597,080	6,521,422
Retained earnings		3,441,912	4,246,853
TOTAL EQUITY		10,038,992	10,768,275

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

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Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Earnings	Asset Revaluation Surplus	Capital Surplus Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	4,246,853	5,382,729	1,138,693	10,768,275
Deficit for the year	(804,941)	-	-	(804,941)
Total other comprehensive income for the year	-	75,658	-	75,658
Balance at 30 June 2022	3,441,912	5,458,387	1,138,693	10,038,992

2021

	Retained Earnings	Asset Revaluation Surplus	Capital Surplus Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2020	4,143,384	4,185,482	1,138,693	9,467,559
Surplus for the year	103,469	-	-	103,469
Total other comprehensive income for the period	-	1,197,247	-	1,197,247
Balance at 30 June 2021	4,246,853	5,382,729	1,138,693	10,768,275

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	7,777,501	8,249,324
Payments to suppliers and employees	(8,618,354)	(7,876,462)
Interest received	26,077	36,975
Government COVID-19 relief	177,926	425,456
Interest paid	(15,980)	(28,955)
Net cash provided by/(used in) operating activities	(652,830)	806,338
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of financial assets	2,019,484	535,491
Dividends received	319,214	231,323
Purchase of property, plant and equipment	(1,200,540)	(440,936)
Purchase of financial assets	(338,083)	(728,679)
Net cash provided by/(used in) investing activities	800,075	(402,801)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net accommodation deposits received/(paid)	(771,839)	(2,193,890)
Net cash provided by/(used in) financing activities	(771,839)	(2,193,890)
Net increase/(decrease) in cash and cash equivalents held	(624,594)	(1,790,353)
Cash and cash equivalents at beginning of year	875,870	2,666,223
Cash and cash equivalents at end of financial year	7 251,276	875,870

The accompanying notes form part of these financial statements.

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Manor Court Werribee Aged Care Ltd as an individual entity. Manor Court Werribee Aged Care Ltd is a, incorporated and domiciled in Australia.

The functional and presentation currency of Manor Court Werribee Aged Care Ltd is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Change in Accounting Policy

This financial statement is the first general purpose financial statement prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statement was general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows as a result of the change in the basis of preparation.

3 Summary of Significant Accounting Policies

(a) Revenue and other income

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 Company expects to receive in exchange for those goods or services.

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company 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.

Donation

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

(b) Income Tax

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

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and plant and equipment but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Refurbishments	7.5%-33.3%
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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(e) Financial instruments

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

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

Financial assets

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

Classification

On initial recognition, the Company 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 Company changes its business model for managing financial assets.

Amortised cost

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

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

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

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

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 Company 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 's historical experience and informed credit assessment and including forward looking information.

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

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

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

Credit losses are measured as the present value of the difference between the cash flows due to the 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 Company 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 Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

Financial liabilities

The Company 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 Company comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non-financial assets

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

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

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

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

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

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

(g) Cash and cash equivalents

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

(h) Employee benefits

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company 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 - property held at fair value

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

Note 3(d) provides information on inputs and techniques to determine valuation.

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

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Notes to the Financial Statements For the Year Ended 30 June 2022

5 Revenue and Other Income

Revenue

	2022	2021
	\$	\$
- Care Funding Government Contribution	5,418,495	5,848,847
- Daily Care Fees	1,951,505	1,824,633
- Other Revenue	211,181	244,102
Total Revenue	7,581,181	7,917,582

Other Income

- Dividend income	371,470	242,182
- Interest income	28,046	32,940
- Donation	4,055	20,639
- Government COVID-19 relief payments	177,926	425,456
- Government grants	343,300	102,319
Total other income	924,797	823,536
Total Revenue and Other Income	8,505,978	8,741,118

6 Result for the Year

Expenses:

	2022	2021
	\$	\$
Finance Costs		
Finance costs	24,580	15,413
Other finance expenses	3,266	7,625
Total finance expenses	27,846	23,038
Other expenses:		
Employee benefits expense	6,829,251	6,651,712
Depreciation expense	393,574	395,566

7 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	251,276	875,870
	251,276	875,870

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

8 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	69,627	28,614
GST receivable	24,944	25,061
Other receivables	117,637	150,115
Total current trade and other receivables	212,208	203,790

9 Property, plant and equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Freehold land at fair value:		
- Independent valuation in 2022	5,950,000	-
- Directors' valuation in 2021	-	5,370,049
Total land	5,950,000	5,370,049
Buildings at fair value:		
- Independent valuation in 2022	7,892,060	-
- Directors' valuation in 2021	-	10,941,409
Less: Accumulated depreciation	-	(3,502,083)
Total buildings	7,892,060	7,439,326
Refurbishments		
At independent valuation	2,129,578	-
At cost	-	1,813,214
Accumulated depreciation	(941,638)	(893,622)
Total Refurbishments	1,187,940	919,592
Total land and buildings	15,030,000	13,728,967
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,342,969	1,105,250
Accumulated depreciation	(981,484)	(827,296)
Total plant and equipment	361,485	277,954
Motor vehicles		
At cost	52,060	52,060
Accumulated depreciation	(52,060)	(52,060)
Total motor vehicles	-	-
Total property, plant and equipment	15,391,485	14,006,921

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

9 Property, plant and equipment (Continued)

(a) Land and Building valuation

The Company's land and buildings were revalued on 30 June 2022 by independent valuers. 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 Ltd.

(b) 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 \$	Refurbishments \$	Plant and Equipment \$	Total \$
Year ended 30 June 2022					
Balance at the beginning of year	5,370,049	7,439,326	919,592	277,954	14,006,921
Additions	600,000	5,535	316,365	237,719	1,159,619
Depreciation expense	-	(191,369)	(48,017)	(154,188)	(393,574)
Revaluation increase/(decrease)	(20,049)	638,568	-	-	618,519
Balance at the end of the year	5,950,000	7,892,060	1,187,940	361,485	15,391,485

10 Other assets

	2022 \$	2021 \$
CURRENT		
Prepayments	132,370	122,616
Total other current assets	132,370	122,616

11 Other financial assets

	2022 \$	2021 \$
NON-CURRENT		
Financial assets at fair value through other comprehensive income	2,878,213	5,059,693
Total other financial assets	2,878,213	5,059,693

12 Trade and Other Payables

	2022 \$	2021 \$
CURRENT		
Trade payables	348,244	200,746
Sundry payables and accrued expenses	391,527	319,238
Accommodation bonds payable	6,712,680	7,503,646
Income received in advance	170,059	310,695
	7,622,510	8,334,325

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Trade and Other Payables (Continued)

	2022	2021
	\$	\$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	7,622,510	8,334,325
Less:		
- amounts received in advance	(170,059)	(310,695)
Financial liabilities as trade and other payables	19 <u>7,452,451</u>	<u>8,023,630</u>

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

	2022	2021
	\$	\$
Current liabilities		
Long service leave	438,525	421,312
Annual leave	597,770	567,345
	<u>1,036,295</u>	<u>988,657</u>
Non-current liabilities		
Long service leave	167,755	177,633

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 2022 the number of members was 36 (2021: 70).

15 Fair Value Measurement

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

- Property, plant and equipment
- Financial assets

16 Contingencies and commitments

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

17 Capital Commitment

At 30 June 2022, the Company had entered into a contract of sale for the purchase of a residential dwelling. The transaction was settled on 1 August 2022.

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

18 Reserves

(a) Asset revaluation reserve

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

(b) Capital surplus reserve

The capital surplus reserve records funds set aside for future expansion of Manor Court Werribee Aged Care Ltd.

19 Financial Risk Management

		2022	2021
		\$	\$
Financial assets			
Cash and cash equivalents	7	251,276	875,870
Trade and other receivables	8	212,208	203,790
Other financial assets		2,878,213	5,059,693
Total financial assets		3,341,697	6,139,353
Financial liabilities			
Financial liabilities measured at amortised cost	11	7,452,451	8,023,630
Total financial liabilities		7,452,451	8,023,630

20 Key Management Personnel Compensation

The remuneration paid to key management personnel of the Company is \$ 786,023 (2021: \$ 684,003).

21 Auditors' Remuneration

	2022	2021
	\$	\$
- auditing or reviewing the financial statements	17,000	16,800
- Others	2,600	2,100
Total	19,600	18,900

Manor Court Werribee Aged Care Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

22 Related Parties

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

Key management personnel - refer to Note 20.

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.

The following transactions occurred with related parties:

	Purchases 2022	Purchases 2021	Owed by the company 2022	Owed by the company 2021
	\$	\$	\$	\$
Director related entities				
L.T's Egg Farm	5,778	2,268	264	378

23 Events Occurring After the Reporting Date

At 30 June 2022, the Company had entered into contracts of sale for the disposal of 4 & 6 Carbon Court. The settlement date for the transactions were October and August 2022.

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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

24 Statutory Information

The registered office 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

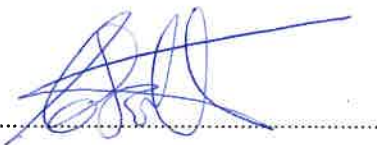
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Director



Dated

29th September 2022

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 2022, 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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 (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 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 Manor Court Werribee Aged Care Ltd, 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.

Responsibilities of directors 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 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 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 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



Richard S. Cen
Director

Dated this 29th day of September 2022