



Manor Court
WERRIBEE AGED CARE LTD



Annual Report

2022-23



Contents

Co-chairs' message	3
COO's message	4
Financial statements	6
Directors' report	6
Auditor's Independence Declaration	12
Statement of profit or loss and other comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17
Directors' declaration	31
Independent Audit Report	32

Co-chairs' message

Dr Callum Scott
Nik Tsardakis

2022/2023 was a benchmark year for Manor Court; consolidating our position in the marketplace.

Over the past year Manor Court re-established itself as a residential aged care of choice for both new residents and staff.

A warm welcome to the new staff who joined Manor Court over the past year; we are grateful for their ongoing contributions. Thanks also to those staff to whom we farewelled; your efforts during your time at Manor Court were very much appreciated.

Our capital works program, although not finished, has uplifted the built structure both out side and within, with significant renovations having been undertaken. These initiatives will continue into the next year.

We understand winning customer confidence in residential aged care is essential for growth and success. Our success and extraordinary progress this year is directly linked to the hard work of our team.

Over the year we achieved many key milestones including increased occupancy and the competency of our valued staff.

As at the financial year end we succeeded in a smooth transition to the required Royal Commission changes and the Aged Care Quality Standards. Continued changes will be ongoing in line with the Aged Care Reform Road Map.

Our track record of high residential quality care was positively reflected in our resident numbers and improved financial performance.

From a financial perspective Manor Court delivered a book deficit during the year. The residential aged care sector fundamentals, however are underpinned by appealing underlying demographics.

This year our plans include:

- a new in-house finance team
- further investment and enhancements in our technology
- additional support for our marketing ambitions
- continuation of our refurbishment program to raise the bar for residential aged care services
- to maintain a heavy focus on compliance and governance.

We are looking forward to a good year ahead. It is an exciting time for us, and we intend to share our progress and accomplishments along the way with our residents and the community.

Our board of Directors is currently composed of 9 members. During the year we saw one of the original founders of Manor Court, Ian Knight AOM retire after 40 years of dedicated service. We also said farewell to our Chief Executive Officer, Linda Kensington.

Our thanks to the Board and staff for their hard work and their contributions that have made our business successful during the year.

We welcomed our new Chief Executive Officer, Richard (Ric) Ellis who commenced with us on 4 September 2023.

COO's message

Alexandra Georgalas

This financial year saw a 'normalising' of our services post the COVID-19 pandemic. And, while COVID is still a feature of our everyday lives, we were able to get on with doing what we do best; delivering care and supports to our residents and responding to the needs of our community.

Despite ongoing external challenges, throughout 2022/23 Manor Court has seen an increase in our resident occupancy and a corresponding increase in our workforce numbers. We have also been able to implement a range of reforms including strengthening our commitment to 24/7 nursing, increasing our nursing and care minutes, and commencing refurbishment works to help create a more comfortable environment for residents and visitors.

I am proud of the Manor Court team that has shown resilience, dedication, and genuine care to our residents. The entire team has worked tirelessly to deliver quality care, keep residents safe, and bring joy to the home.

Thank you to all the families and friends that entrust Manor Court to care for their loved ones. Your involvement and support over the year has been invaluable and has guided our service delivery, ensuring that residents remain at the centre of all we do.

To our residents, thank you for calling Manor Court home. While things have felt more 'normal' this year we understand it has been, and continues to be, a challenging and sometimes uncertain time. We are honoured to care and support you, and are driven by your positivity, generosity, and kindness.

I would also like to thank the Board for their leadership and guidance throughout the year.

Looking forward, Manor Court is well placed to respond to the reforming aged care sector. We are ready and willing to make the most of the opportunities this presents for our growth, sustainability, and ability to support the community.

Finally, we recently welcomed Ric Ellis as the new CEO of Manor Court. Under his leadership, and with the ongoing support of the Board and our community, I am confident that Manor Court will continue to thrive in 2023/24 and beyond.



Financial statements

Director's report

30 June 2023

The directors present their report on Manor Court Werribee Aged Care Ltd for the financial year ended 30 June 2023.

(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, GDipCInfSc, 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), Certificate in Clinical Governance
Experience	25 years in Hospitals and Aged Care incorporating clinical nursing, staff development, hospital management and project management, 14 years' experience in residential aged care. 9 years board experience at Manor Court.
Special responsibilities	Chair of the Clinical Governance Committee.

Mr I S Knight OAM	Resigned 30/03/2023
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
Special responsibilities	30 years in Health Care – Critical care/ Education. Currently Quality coordinator Mercy Health. 6 years Board Experience on both Werribee Hospital Foundation & Manor Court. Deputy Chairperson of the Board from 2 February 2023.
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.
Special responsibilities	Chair of the Finance, Audit & Risk Committee.
Mr I Ahmed	Appointed 4/02/2021
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.
Ms Karyn Vines	Appointed 30/06/2022
Qualifications	Project management, business and financial acumen
Experience	30 years' experience in hospitals and hospital development, and construction projects. Past experience in governance, legal and strategy.

Mr Robert Fava	Appointed 30/06/2022
Qualifications	Business and Financial acumen
Experience	42 Years Experience in Packaging. 22 Years of those years in General Management. Managing high performance teams. Experience in strategic planning and team management and assisting business to Re-Focus and grow. Last 10 years Managing Director of own, successful Packaging Business, which I have recently sold. Past President of Werribee Rotary and Past Assistant Governor in our district.
David Hobson	Appointed 25/05/2023
Qualifications	Graduate Certificate in Professional Management
Experience	40 years' experience in governance and strategic management.
Special responsibilities	Chair of the Finance, Audit & Risk Committee.

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.
- 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 2023 the collective liability of members was \$30 (2022: \$18).

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

Operating results

The loss of the Company after providing for income tax amounted to (\$245,048) (2022 loss: \$804,941).

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.

Meetings of directors

During the financial year, 9 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	9	8
Mrs K Munton	9	8
Mr I S Knight OAM	6	5
Mr N Tsardakis	9	9
Mrs N Whiting	9	8
Mr S Taylor	9	9
Mr I Ahmed	9	8
Mrs Karyn Vines	9	8
Mr Robert Fava	9	8
Mr David Robson	2	2

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 2023 has been received and can be found on page 6 of the financial report.

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

Director:



Director:



Dated this

31

day of

October

2023

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 2023, 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 31st day of October 2023

Advisory. Tax. Audit.

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	5	9,498,414	7,581,181
Other income	5	373,704	924,797
Total Income		9,872,118	8,505,978
Employee benefits expenses	6	(7,628,350)	(6,829,251)
Depreciation expense	6	(458,839)	(393,574)
Catering expense		(408,782)	(307,883)
Medical supplies		(429,778)	(350,977)
Insurance		(54,557)	(54,829)
Repairs and maintenance		(184,495)	(109,442)
Occupancy		(165,883)	(187,765)
Telephone		(17,388)	(23,002)
Cleaning		(75,594)	(60,926)
Accounting & compliance		(148,357)	(58,508)
Other expenses		(499,663)	(910,182)
Finance costs	6	(45,480)	(24,580)
Total Expenses		(10,117,166)	(9,310,917)
(Loss) before income tax		(245,048)	(804,941)
Income tax expense	2(b)	-	-
(Loss) for the year		(245,048)	(804,941)
Other comprehensive (loss), 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		(114,778)	(1,047,413)
Profit on disposal of financial assets		-	504,551
Other comprehensive (loss) for the year, net of tax		(114,778)	75,658
Total comprehensive (loss) for the year		(359,826)	(729,283)

Statement of financial position

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,554,657	251,276
Trade and other receivables	8	345,385	212,208
Other assets	10	55,587	132,370
TOTAL CURRENT ASSETS		1,955,629	595,854
NON-CURRENT ASSETS			
Property, plant and equipment	9	15,993,389	15,391,485
Other financial assets	11	2,535,247	2,878,213
TOTAL NON-CURRENT ASSETS		18,528,636	18,269,698
TOTAL ASSETS		20,484,265	18,865,552
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	954,530	900,823
Accommodation bonds payable	12	7,737,346	6,721,687
Employee benefits	13	747,150	1,036,295
Borrowings	14	1,222,000	-
TOTAL CURRENT LIABILITIES		10,661,026	8,658,805
NON-CURRENT LIABILITIES			
Employee benefits	13	144,073	167,755
TOTAL NON-CURRENT LIABILITIES		144,073	167,755
TOTAL LIABILITIES		10,805,099	8,826,560
NET ASSETS		9,679,166	10,038,992
EQUITY			
Reserves	19	6,482,302	6,597,080
Retained earnings		3,196,864	3,441,912
TOTAL EQUITY		9,679,166	10,038,992

Statement of changes in equity

For the year ended 30 June 2023

2023

	Retained Earnings \$	Asset Revaluation Surplus \$	Capital Surplus Reserve \$	Total \$
Balance at 1 July 2022	3,441,912	5,458,387	1,138,693	10,038,992
Deficit for the year	(245,048)	-	-	(245,048)
Total other comprehensive income for the year	-	(114,778)	-	(114,778)
Balance at 30 June 2023	3,196,864	5,343,609	1,138,693	9,679,166

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
Surplus for the year	(804,941)	-	-	(804,941)
Total other comprehensive income for the period	-	75,658	-	75,658
Balance at 30 June 2022	3,441,912	5,458,387	1,138,693	10,038,992

Statement of cash flow

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		10,613,325	7,777,501
Payments to suppliers and employees		(9,791,324)	(8,618,354)
Interest received		43,911	26,077
Government COVID-19 relief		55,599	177,926
Interest paid		(45,480)	(15,980)
Net cash provided by/(used in) operating activities		876,031	(652,830)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of financial assets		1,618,466	2,019,484
Dividends received		-	319,214
Purchase of property, plant and equipment		(1,879,966)	(1,200,540)
Proceed from sale of property, plant and equipment		937,000	-
Purchase of financial assets		(1,390,278)	(338,083)
Net cash provided by/(used in) investing activities		(714,778)	800,075
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net accommodation deposits received/(paid)		-	(771,839)
Proceeds from borrowings		1,142,128	-
Net cash provided by/(used in) financing activities		1,142,128	(771,839)
Net increase/(decrease) in cash and cash equivalents held		1,303,381	(624,594)
Cash and cash equivalents at beginning of year		251,276	875,870
Cash and cash equivalents at end of financial year	7	1,554,657	251,276

Notes to the financial statements

For the year ended 30 June 2023

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 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.

(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.

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.

(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 are 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.

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.

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.

(i) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

3 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 30 June 2022. 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.

At 30 June 2023, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2022 and do not believe there has been a significant change in the assumptions at 30 June 2023. The directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs of disposal at 30 June 2023.

Note 2(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.

4 New and Amended Accounting Standards Adopted by the entity

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments.

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15.

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

5 Revenue and Other Income

Revenue

	2023 \$	2022 \$
- Care Funding Government Contribution	6,863,841	5,418,495
- Daily Care Fees	2,120,041	1,951,505
- Other Revenue	514,532	211,181
Total Revenue	9,498,414	7,581,181

Other Income

- Dividend income	179,379	371,470
- Interest income	43,911	28,046
- Donation	46,361	4,055
- Government COVID-19 relief payments	55,599	177,926
- Government grants	48,454	343,300

Total other income	373,704	924,797
Total Revenue and Other Income	9,872,118	8,505,978

6 Result for the Year

Expenses:

Finance Costs

Finance costs	22,810	24,580
Other finance expenses	22,670	3,266
Total finance expenses	45,480	27,846

Other expenses:

Employee benefits expense	7,628,350	6,829,251
Depreciation expense	458,839	393,574

7 Cash and Cash Equivalents

	2023 \$	2022 \$
Cash at bank and in hand	1,554,657	251,276
	1,554,657	251,276

8 Trade and Other Receivables

	2023 \$	2022 \$
CURRENT		
Trade receivables	131,164	69,627
GST receivable	61,413	24,944
Other receivables	152,808	117,637
Total current trade and other receivables	345,385	212,208

9 Property, plant and equipment

	2023 \$	2022 \$
LAND AND BUILDINGS		
Freehold land at fair value:		
- Independent valuation	5,210,000	5,950,000
- Directors' valuation	250,000	-
Total land	5,460,000	5,950,000
Buildings at fair value:		
- Independent valuation	7,892,060	7,892,060
- Directors' valuation	351,982	-
Less: Accumulated depreciation	(220,260)	-
Total buildings	8,023,782	7,892,060
Refurbishments		
At independent valuation	2,129,578	2,129,578
At cost	965,897	-
Accumulated depreciation	(1,038,775)	(941,638)
Total Refurbishments	2,056,700	1,187,940
Total land and buildings	15,540,482	15,030,000
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,488,772	1,342,969
Accumulated depreciation	(1,117,323)	(981,484)
Total plant and equipment	371,449	361,485
Motor vehicles		
At cost	-	52,060
Accumulated depreciation	-	(52,060)
Total motor vehicles	-	-

9 Property, plant and equipment (Continued)

		2023	2022
		\$	\$
Borrowing costs		86,429	-
Accumulated Amortisation		(4,972)	-
Total borrowing costs		81,457	-
Total property, plant and equipment	16	15,993,389	15,391,485

(a) Land and Building valuation

The Company's land and buildings were revalued on 30 June 2023 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	Borrowing Costs	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023						
Balance at the beginning of year	5,950,000	7,892,060	1,187,940	361,485	-	15,391,485
Additions	250,000	351,982	965,897	145,803	86,429	1,800,111
Depreciation expense		(220,260)	(97,137)	(135,839)	(4,972)	(458,208)
Disposals	(740,000)	-				(740,000)
Balance at the end of the year	5,460,000	8,023,782	2,056,700	371,449	81,457	15,993,389

10 Other assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	55,587	132,370
Total other current assets	55,587	132,370

11 Other financial assets

	2023	2022
	\$	\$
NON-CURRENT		
Financial assets at fair value through other comprehensive income	2,535,247	2,878,213
Total other financial assets	2,535,247	2,878,213

12 Trade and Other Payables

	2023 \$	2022 \$
CURRENT		
Trade payables	312,181	348,244
Sundry payables and accrued expenses	558,269	382,520
Income received in advance	84,080	170,059
	<u>954,530</u>	<u>900,823</u>
Accommodation bonds payable	7,737,346	6,721,687
Total trade and other payables	<u>8,691,876</u>	<u>7,622,510</u>

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.

	2023 \$	2022 \$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	8,691,876	7,622,510
Less:		
- amounts received in advance	(84,080)	(170,059)
	<u>8,607,796</u>	<u>7,452,451</u>
Financial liabilities as trade and other payables	20	

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

	2023 \$	2022 \$
Current liabilities		
Long service leave	232,214	438,525
Annual leave	514,936	597,770
	<u>747,150</u>	<u>1,036,295</u>
Non-current liabilities		
Long service leave	144,073	167,755

14 Borrowings

	2023 \$	2022 \$
Current liabilities – secured:		
Syndicated mortgage loan	1,222,000	-

The syndicated mortgage loan was for two years, interest only and secured by the properties at 50 Market Road, Werribee, 7 Carbon Court, Werribee and 6 Dewan Avenue, Werribee.

15 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 2023 the number of members was 60 (2022: 36).

16 Fair Value Measurement

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

- Property, plant and equipment
- Financial assets

17 Contingencies and commitments

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

18 Capital Commitment

The Company had no material capital commitments as at 30 June 2023.

19 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.

20 Financial Risk Management

		2023 \$	2022 \$
Financial assets			
Cash and cash equivalents	7	1,554,657	251,276
Trade and other receivables	8	345,385	212,208
Other financial assets		2,535,247	2,878,213
Total financial assets		4,435,289	3,341,697
Financial liabilities			
Financial liabilities measured at amortised cost	12	8,607,796	7,452,451
Borrowings	14	1,222,000	-
Total financial liabilities		9,829,796	7,452,451

21 Key Management Personnel Compensation

The remuneration paid to key management personnel of the Company is \$710,429 (2022: \$786,023).

22 Auditors' Remuneration

	2023 \$	2022 \$
- auditing or reviewing the financial statements	17,700	17,000
- Others	3,950	3,800
Total	21,650	20,800

23 Related Parties

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

Key management personnel refer to Note 21.

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 2023 \$	Purchases 2022 \$	Owed by the company 2023 \$	Owed by the company 2022 \$
Director related entities				
L.T's Egg Farm	5,986	5,778	288	264

24 Events Occurring 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.

25 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

Directors' declaration

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Australian Charities and Not-for-profit Commission Act 2012 (ACNC Act") and:

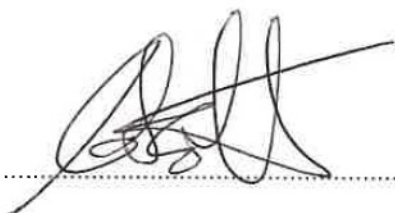
a. comply with Australian Accounting Standards Simplified Disclosure, the Australian Charities and Not-for-profits Commission Regulation 2022 and other mandatory professional reporting requirements; and

b. give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.

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

31. 10. 23

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 2023, 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 2023 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 2022*.

Basis for opinion

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

Advisory. Tax. Audit.

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

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 31st day of October 2023



Manor Court
WERRIBEE AGED CARE LTD

